
Interim Report

***DOES THE NUMBER & POWER OF MUNICIPALITIES MATTER
FOR SASKATCHEWAN'S DEVELOPMENT IN THE 21ST CENTURY?***



TASK FORCE

ON MUNICIPAL LEGISLATIVE RENEWAL

MUNICIPAL GOVERNANCE
FOR SASKATCHEWAN
IN THE 21ST CENTURY

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LETTER OF TRANSMITTAL

- Minister of Municipal Affairs, Culture & Housing

Dear Mr. Minister:

We have the honour of presenting you with our Interim Report on Municipal Legislative Renewal for central and southern Saskatchewan.

A similar report on Municipal Legislative Renewal for northern Saskatchewan will be submitted to you in the near future.

This particular report reflects our current thinking on the need, vision, goals, directions, and approaches for renewal in central and southern Saskatchewan.

Our views on some of these matters could change as we move toward producing our final report in light of our own thinking and what others say about the need for and nature of renewal.

One aspect that is unlikely to change however, is our fundamental belief that municipal renewal, including major restructuring or consolidation, must be undertaken in a timely and effective manner.

Purpose of this Report

The principal purpose of this report is to profile possible changes to the number and types of municipal governments. We felt that we could not deal with other major issues of municipal renewal without first addressing those fundamental issues.

Although we are not a boundaries commission we felt compelled to deal with structural issues regarding the number and types of municipal governments because such issues are inextricably linked to jurisdictional, functional, financial, governance, management, and statutory issues.

Our hope is that this report will stimulate widespread interest and debate on the need, vision, goals, directions, and approaches to renewal throughout the province, including within government and the legislature.

Toward that end, this report outlines both a preliminary vision and preliminary directions for renewal.

The Task Force looks forward to receiving written responses to the vision, goals and directions for renewal.

In particular, the Task Force hopes that the debate focuses on the question profiled on the title page of this report: **"Does the number and power of municipalities matter for Saskatchewan's development in the 21st century?"**

Public Expectations of the Provincial Government

We would like to take this opportunity to inform you that from the very start, participants have said that they would like the provincial government to indicate the following:

- ♦ If, how and when it intends to produce a municipal restructuring plan;
- ♦ If, how and when it intends to implement a municipal restructuring plan; and
- ♦ The nature of any municipal restructuring plan.

If your government has any intention of engaging in any municipal restructuring, it would help the Task Force as well as various stakeholders, and the public immensely to know about each of the issues listed above as soon as possible.

Working Assumptions

In the absence of a concrete municipal restructuring plan from your government, the Task Force will base the recommendations in its final report primarily on two models of the structural features of the municipal system identified in this report:

- ◆ Model 1: The 'No Consolidation Model'
- ◆ Model 2: The 'Major Consolidation Model'

If you or your government feel that the Task Force should consider other structural models in framing its recommendations for renewing various other elements of the municipal system, we would appreciate it if you were to let us and everyone else know formally and publicly through an open letter.

The Relevance for all Departments

We believe that the recommendations in this report have major implications for all provincial government departments.

Accordingly, we encourage you, your cabinet colleagues and all members of the legislature to reflect on the following matters in this report:

- ◆ The need for renewal;
- ◆ The requirements to achieve renewal; and
- ◆ The requirements for successful renewal.

The Need for Compromises

We sincerely believe that for municipal renewal not only to be achieved but also to succeed in fostering development, the provincial government as well as the municipal governments must be prepared to make some major and historic compromises. Only such compromises will produce the optimal balance between the number and capacity of municipal governments.

Such compromises will lead not only to more powerful and effective municipal and provincial governments but, ultimately and more importantly, to more prosperous communities, businesses and individuals; better services; and a better quality of life.

Respectfully,

The Task Force on Municipal Legislative Renewal

Joseph Garcea (Chair)
Maria Lynn Freeland
Val Kononoff
Murray Westby
Bobby Woods
Cliff Wright

OPEN LETTER TO THE PEOPLE OF SASKATCHEWAN

Dear Fellow Residents:

This report is not about the elimination of municipal governments and communities. It is about stronger municipal governments working to build stronger communities.

This report is about more than the consolidation of municipalities. It is also about the jurisdictional and financial empowerment of municipalities.

Consolidation and empowerment go hand in hand. The reason for this is that it is neither feasible nor prudent to empower 1000 municipal units. For reasons explained in this report, jurisdictional and financial empowerment of municipalities must be undertaken in tandem with municipal consolidation.

The Purpose is Development

This report is about consolidation and empowerment with a purpose. The purpose is development – the economic, community, social, cultural and environmental development of Saskatchewan's various regions in the 21st century.

Without municipal consolidation and empowerment, Saskatchewan will lose significant development opportunities, and those that it does achieve will be concentrated largely within a few metropolitan regions in this province.

Equitable distribution of development in this province will require fewer and more equally empowered and capable municipal governments, working for each of Saskatchewan's regional economies and communities.

Fewer Municipalities is Important, But Consolidation is Not Enough

In this report the Task Force takes the position that in the future, development in this province would be fostered best by having considerably fewer, but very powerful and highly capable municipal units.

Nevertheless, in this report The Task Force takes the position that reduction in the number of municipalities alone will not result in optimal development. In addition to the number of municipalities, the degree of development will depend on:

- ◆ The powers and capacities of municipalities; and
- ◆ The quality of the policies and programs of all governments and the effect that they have on the decisions and behaviour of individuals, organizations, and enterprises.

The Task Force would like to hear from you on whether you agree or disagree with this position.

Legitimate Concerns

The Task Force is very aware and respectful of the legitimate concerns that many people have expressed and will continue to express regarding the effect that a "major consolidation" in the number of municipalities will have on the following matters which they value:

- ◆ The quality and responsiveness of their municipal representatives.
- ◆ The amount and quality of municipal services.
- ◆ The cost of and level of taxation for municipal services.
- ◆ The level of community identity and pride.
- ◆ The level of volunteerism within municipalities.

The Task Force appreciates those concerns and the fact that people have taken the time to share them with us. We would not suggest that they are unfounded. Nevertheless, we would ask you to consider two things:

- ◆ First, how much of an adverse affect could a "major consolidation" in the number of municipalities have on each of the above matters?
- ◆ Second, is it possible that with the right system in place, it might actually be possible either to improve or at least maintain each of the above matters?

The Task Force believes that it is possible to improve or at least maintain each of the above matters if "major consolidation" is undertaken.

Indeed, the Task Force believes that it is much more likely to improve or maintain each of the above matters with, rather than without, "major consolidation".

Effect of No Consolidation on What is Valued

Without "major consolidation" Saskatchewan runs the risk of trying to operate and support a municipal system that is simply not viable and sustainable.

Efforts to maintain the current municipal system will get in the way of efforts at economic, community, social, cultural and environmental development.

Obstacles to such development efforts will lead not only to the gradual demise of the current structure of the municipal system but ultimately, and more importantly, to the demise of the local and regional communities and economies that municipal governments are mandated to serve.

A "major consolidation" of the municipal system will not eliminate all of the pressures and problems that individuals and communities face today and in the near future. Nevertheless, it should help considerably in managing and minimizing those pressure and problems.

What Can Be Learned?

In dealing with those pressures and problems everyone has a responsibility, indeed a duty, to examine what could be changed to foster development in the public interest. Everything should be subject to close scrutiny and, if necessary, change, including municipal government.

If consolidation in other provinces or consolidation to other systems in this province has not yielded the degree of benefits that were either anticipated or desired, two questions must be asked:

- ◆ How much worse would have been the various problems if consolidation had not been undertaken?
- ◆ What can we learn from those initiatives so that any mistakes are not repeated?

Is It Possible To Design A Better Municipal System For The 21st Century?

The Task Force believes that it is possible. Doing it, however, requires at least two things:

- ◆ Considerable support for the consolidation and empowerment of municipalities; and
- ◆ The right degree of commitment on everyone's part to think through the various issues that must be addressed in designing, implementing, and operating a more consolidated and powerful municipal system.

Your Help – 10 Key Questions Regarding Municipal Renewal

In completing its work, the Task Force needs your help in addressing ten key questions which are at the heart of this interim report.

Please read and consider carefully the following ten key questions on which much of this report is based.

1. *Does the number and power of municipalities matter for Saskatchewan's development in the 21st century?*
☐ Yes ☐ No ☐ It Depends
2. *Do 1000 municipal units (836 municipalities and 170 quasi-municipalities) constitute an asset to development?*
☐ Yes ☐ No ☐ It Depends
3. *Do 1000 municipal units (836 municipalities and 170 quasi-municipalities) constitute an obstacle to development?*
☐ Yes ☐ No ☐ It Depends
4. *Would fewer, but more powerful, municipal governments be better able to foster and facilitate economic and social development for their respective communities in the 21st century?*
☐ Yes ☐ No ☐ It Depends
5. *Should the municipal system continue to operate largely on a "local" basis when communities, economies and other governments operate largely on a "regional" basis?*
☐ Yes ☐ No ☐ It Depends
6. *Should Saskatchewan continue to have 250 to 750 more municipalities than any other province, except Quebec?*
☐ Yes ☐ No ☐ It Depends
7. *Do municipal governments require greater financial power and resources?*
☐ Yes ☐ No ☐ It Depends
8. *Do municipal governments require greater jurisdictional power?*
☐ Yes ☐ No ☐ It Depends
9. *Is it more feasible and productive to concentrate greater financial and jurisdictional powers and resources into fewer municipalities rather than the existing 1000 municipal units?*
☐ Yes ☐ No ☐ It Depends
10. *Will the appropriate nature and degree of consolidation occur if it is undertaken on a 'voluntary' or 'negotiated' basis rather than a provincially 'directed' basis?*
☐ Yes ☐ No ☐ It Depends

The Task Force's answers to the above questions are in the remainder of this report.

The Task Force looks forward to a written response from you on these questions and on the relationship between the nature of the municipal system and the future development of Saskatchewan's local, regional, and provincial communities and economies in the 21st century.

Respectfully,

The Task Force on Municipal Legislative Renewal

ECHOS OF HISTORY

- Recommendations for Renewal in Previous Reports

➤ This report is not the first to recommend municipal restructuring and renewal.

1997

"The parties therefore agree to...examine the current system of municipal structures and governance with an eye to greater efficiency and capacity for provision of services in the future."

Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural municipalities, Government of Saskatchewan. Memorandum of Understanding. January 1, 1997. 3.

1993

"Saskatchewan most probably would gain from a reduction in governance, including a reduction in the number of municipalities. While there is some resistance to taking this direction, we must ensure that we don't allow what we cannot do, stop us from doing what we can do."

Report of the Minister's Advisory Committee on Inter-Community Cooperation and Community Quality of life October. 1993. vii.

1990

"Many of our communities will survive and thrive in the twenty-first century. It has become clear, however, that there must be changes in the structure of community administration and service delivery to meet the expectations of Saskatchewan people in the future."

Consensus Saskatchewan. A Blueprint for Saskatchewan. 1990, 89.

1986

"It would be highly appropriate for the provincial government to initiate a review of the structure of local government. This review should not be undertaken with the thought that current structures have failed. Instead, the review should be undertaken with a view to building on the strengths of the past and investigating opportunities for even more effective local government for the future."

Local Government Finance Commission. Overview of the Final Report of the Local Government Finance Commission. September, 1986, 96.

1985

"The existing structure and powers of rural and small urban municipalities are not ideally suited to the pursuit of development opportunities. The geographic area of these municipalities is generally small, their staff and financial resources are limited, and their main orientation is towards administration, regulation and the provision of basic municipal services...these are positive characteristics which allow Saskatchewan local governments to maintain contact with the 'grassroots' in providing needed municipal services and facilities. However... additional institutions are required in rural Saskatchewan to supplement – not supplant – existing local government efforts in the area of economic development."

Government of Saskatchewan Special Task Force Report. Strategy for the Development of Rural Saskatchewan. 1985, 134.

1976

"One reason, if not the chief reason, why RM's are not able to perform their function fully is because their structure is not adapted to changing conditions... there is a great diversity of resources from one municipality to another...borrowing capacity and sources of revenue are extremely limited. The future, if conditions are left to run present courses, will offer less challenge to elected members, less challenge to paid staff. Ineffectiveness and a foreshortened role will diminish further, perhaps destroy, the RM as a the stronghold of democracy."

Report of the Rural Development Advisory Group. November 1976, 91.

1965

"It must be realized that there is always the possibility of some organization or the government adopting some new plan which might reasonably be expected to result in marked progress, both for the rural people of our province and for this association. We may come to realize that, as individuals, there is a need for some re-adjustment of our own personal way of thinking and of looking at this problem."

Geo. F. Dawson. "The SARM. Story: Sixty Years of Progress." The Saskatchewan Association of Rural Municipalities. March 1965, 107.

1961

"In summary, larger units of local government offer possibilities for less paternalistic provincial-local relations. More particularly larger units make it possible to reconcile standards of local performance acceptable to the province with a significant range of local autonomy."

Local Government Continuing Committee. A technical document to the report Local Government In Saskatchewan. March 1, 1961, 71.

"That the provincial government undertake general reorganization of local government in Saskatchewan..."

Recommendation of the Local Government Continuing Committee. Local Government in Saskatchewan. March 1, 1961, 107.

1955

In a province with sparse population and limited financial and technical resources it is desirable to reduce duplication of local administrations wherever possible. The growing interdependence of rural and urban life is already resulting in joint rural-urban administration of education and health services. Many towns are already heavily populated by farmers residing in town on a year-round or part-time basis. As it seems certain that the common interest of rural and urban people will continue, early attention is needed to problems of integration of rural and urban local government, particularly methods of taxation and representation."

"Under modern conditions the existing rural municipality system is incapable of fulfilling the fundamental requirements of sound local government."

Province of Saskatchewan Royal Commission on Agriculture and Rural Life. Rural Roads and Local Government. 1955, 262, 264.

1920-1950

"From 1921 to 1950, seven reports treating questions of local government have been issued:

The Patrick Report in 1921;

The Report of the Commission of Inquiry into Provincial and Municipal Taxation in 1936;

The Report of the Royal Commission on Dominion-Provincial Relations in 1940;

The Report of the Saskatchewan Urban Assessment Committee in 1943

The Report of the Saskatchewan Reconstruction Council in 1944;

The Study of the Committee to Investigate the Reorganization of Rural Municipal Boundaries in 1945; and

the Report of the Committee on Provincial-Municipal Relations in 1950.

All seven reports during the 30 year period have recommended rural municipal reorganization or further study of the question of reorganization."

Royal Commission on Agriculture and Rural Life. History of Rural Local Government in Saskatchewan. 1955, 251-253.

I. INTRODUCTION

1. Purpose of Interim Report

- The purpose of this Interim Report is to outline the Task Force's preliminary thoughts on the need, vision, goals, directions, and approaches for renewing the municipal system in the southern and central parts of Saskatchewan for the 21st century. An interim report on municipal governance in northern Saskatchewan will be released in the near future.
- The Task Force has produced this interim report and is releasing it at this particular time for two key reasons:
 - ◆ First, to ensure that everyone, including all members of the provincial legislature, is aware of its preliminary thoughts on the need for and nature of renewal to the municipal system.
 - ◆ Second, to provide the basis on which a full and frank public debate on the need for and nature of renewal of the municipal system can take place.
- During the consultations to date in south and central Saskatchewan, many individuals and groups have indicated that to foster such a debate, the Task Force should produce a focused and thought provoking document.
- The Task Force hopes that this Interim Report will engender an extensive debate throughout the province on:
 - ◆ The need for and nature of renewal to the municipal system; and
 - ◆ The implications of renewal for the future of Saskatchewan's local, regional, and provincial communities and economies in the 21st century.

2. Relationship of Interim & Final Reports

- The Interim Report is not the Final Report. In preparing its final report, the Task Force is open to any suggestions regarding the precise nature or scope of renewal to various parts of the municipal system.
- The Final Report may contain some significant deviations from the general directions or the specific recommendations made in this report. To a large extent that will depend on the views of individuals and groups and the Task Force's own thinking on additional directions and details regarding municipal renewal.
- What is unlikely to change in the Final Report is the Task Force's belief that renewal of the municipal system is essential, indeed imperative, for the future of this province.

3. Focus of Interim Report

- This Interim Report focuses on what the Task Force believes are the most important topics that must be discussed at this point in the review process, namely:
 - ◆ Need for Municipal Renewal
 - ◆ Vision & Goals for Municipal Renewal
 - ◆ Directions for Municipal Renewal
 - ◆ Approaches for Municipal Renewal
 - ◆ Requirements for Municipal Renewal
- The section on the "Directions for Municipal Renewal" focuses on eight elements of the municipal system:
 1. Municipal Purpose
 2. Municipal Status
 3. Municipal Powers
 4. Municipal Functions
 5. Municipal Governance & Management
 6. Municipal Legislation
 7. Municipal Finances
 8. Municipal Structures

4. Emphasis of Interim Report

- At this stage of the Task Force's work, the most important of those eight elements of the municipal system that must be addressed is "Municipal Structures". More specifically, it is important to address three key issues:
 - ◆ Number of municipalities
 - ◆ Size of municipalities
 - ◆ Types of municipalities
- The reason for this is that those three structural issues must be addressed and resolved before the Task Force can produce a final report and a final set of recommendations either on municipal structures or any of the other elements of the municipal system. Without a clearer picture of the structure of the municipal system, it is very difficult, indeed impossible, to make sound final recommendations regarding other important elements of a renewed municipal system.
- In addition to examining the nature of renewal, a substantial portion of this report is devoted to examining the need for renewal. The part on 'Need for Renewal' profiles the negative effects of the major problems confronting not only municipal governments, but also other governments, organizations and ratepayers.
- A full appreciation of the negative effects of those problems is absolutely essential for understanding the need, directions, and approaches for renewal.

5. Central Contentions of Interim Report

Why is the municipal system important?

Good Governance

Good Services

Good Development

- This report contains six central contentions:
 1. The importance of the municipal system
 2. The inadequacy of the current municipal system
 3. The importance of renewing the municipal system
 4. The importance of multifaceted renewal of the municipal system
 5. The scope of structural renewal
 6. The approach to structural renewal

5.1 The Importance of the Municipal System

- The first major argument is that municipal system is very important, indeed absolutely essential for:
 - ◆ Good governance;
 - ◆ Good services; and
 - ◆ Good development (e.g., economic, community, etc.).
- In many ways it is likely to be at least as important as the federal and provincial systems of governance for all such matters.
- The municipal system is essential for providing good governance in communities throughout Saskatchewan. It is essential in providing:
 - ◆ Effective, efficient and equitable governance;
 - ◆ Responsive and responsible governance; and
 - ◆ Authoritative, autonomous and accountable governance.
- The municipal system is essential for providing good services. It is essential in providing both:
 - ◆ Infrastructure services; and
 - ◆ Community, recreational and cultural services
- The municipal system is also essential for fostering and facilitating various types of sustainable development, including:
 - ◆ Economic development;
 - ◆ Community development;
 - ◆ Social development;
 - ◆ Cultural development; and
 - ◆ Environmental development.

5.2 Inadequacy of the Current Municipal System

Why is the current municipal system inadequate?

- The second major contention in this Interim Report is that despite the virtues of the governance, management, and fiscal practices of most, if not all, individual municipal units, the current municipal system is inadequate in ensuring good governance, good services, and good development as outlined above.
- Contrary to the cliché that "the whole is greater than the sum total of its parts," the municipal system is facing the situation where "the whole is less than the sum total of its parts."
- Regardless of how well any number of municipal units are operating in delivering certain services, the collective efforts of all of them may not be producing the optimal level of positive results that one would expect from the municipal system in terms of:
 - ◆ Good governance;
 - ◆ Good service delivery; and
 - ◆ Good development.

- There are several possible reasons that the municipal system may not be producing the optimal level of positive results. This includes those identified in the next section of this Interim Report on the need for municipal renewal.

5.3 Importance of Renewing the Municipal System

Why is renewal important?

- The third central contention is that it is important, indeed imperative, to renew the municipal system. Failure to renew the municipal system will continue to have a negative effect on the nature and quality of governance, services and development in Saskatchewan as shown in the next section.

5.4 Importance of Multifaceted Renewal

Why is multifaceted renewal important?

- The fourth central contention is that renewal of the municipal system must be multifaceted. More specifically, the central contention is that renewal of the municipal system should entail all of the following:
 - ◆ Jurisdictional empowerment of municipal governments;
 - ◆ Financial empowerment of municipal governments; and
 - ◆ Consolidation of municipalities.
- These three elements of the system are inextricably interrelated. It is neither feasible nor desirable to empower approximately 1000 municipal units either jurisdictionally or financially without a substantial degree of consolidation of the number of municipalities. Doing so would compound some existing problems within the municipal system that are identified in the next section of this report.

5.5 The Scope of Structural Renewal

What scope of structural renewal is needed?

- The fifth contention is that a substantial improvement of the municipal system requires what in this Interim Report is depicted as "major consolidation" or structural renewal that would place the optimal number of municipalities at less than 125.

5.6 The Approach to Structural Renewal

What approach to structural renewal is needed?

- The sixth central contention is that although structural renewal should ideally occur on a voluntary basis, the Task Force doubts that such an approach would result in either the optimal degree of consolidation or the appropriate framework for consolidation. The Task Force bases its view both on the experience to date, and the widespread belief among members of the public that a voluntary approach will not result in such renewal.
- Accordingly, the Task Force recommends that structural renewal or consolidation be undertaken by the provincial government using a 'Directed Consultative Approach' explained in a subsequent section of this report.

Comments on Contentions

- The Task Force would appreciate your written comments on the aforementioned contentions in this Interim Report regarding the need for and nature of municipal renewal.

II. THE NEED FOR MUNICIPAL RENEWAL

1. The Need For Municipal Renewal

Why is municipal renewal needed?

- Municipal renewal is needed because it is becoming increasingly difficult for the municipal system to meet the current and future needs of the local, regional, and provincial communities and economies. Such difficulties stem from a combination of two major sets of problems:
 - ◆ Problematic economic and demographic trends; and
 - ◆ Problematic features of the municipal system.
- This section briefly describes both:
 1. The nature of those problematic trends and features; and
 2. The negative effects of those problematic trends and features including:
 - ◆ Incompatibilities between the municipal system and economic and social systems;
 - ◆ Imbalances in the municipal system;
 - ◆ Inequities in the municipal system;
 - ◆ Inter-municipal spillovers; and
 - ◆ Increased costs for those inside and outside the municipal system.
- The problematic economic and demographic trends and the problematic features of the municipal system have a compounding negative effect on each other.

Who is affected by these problems & trends?

- These negative effects do not have adverse effects only for municipal governments. They also have adverse effects for individual ratepayers and residents, businesses, voluntary organizations, other local authorities, provincial governments, federal governments, and Aboriginal governments.

2. Problematic Demographic & Economic Trends

What are these problematic trends?

Nature of Demographic & Economic Trends

- Municipal renewal is required because, among other things, there are some major economic and demographic trends that are having and will continue to have a significant effect not only on municipal governments, but also on their communities, and the individuals, businesses, and organizations therein.
- These trends present problems and opportunities for all communities and municipal governments. Furthermore, trends are not uniformly problematic or opportune for all communities and municipal governments:
 - ◆ For some they are major problems with devastating effects;
 - ◆ For some they are minor problems with minor negative effects; and
 - ◆ For some they are not a problem, but opportunities that need to be managed.
- Furthermore, for any particular community or municipality they could present devastating problems in some respects, minor problems in other respects, and opportunities in other respects. There is no denying, however, that whatever the precise effect is on any particular community or municipality in this province, the following trends have major implications for all of them.
- It is important to also remember that these trends create problems and opportunities not only for communities and municipal governments but also for various other governments, individuals, businesses, and organizations.

2.1 Demographic Trends

What demographic trends are problematic?

- There are two major categories of demographic trends that affect municipal governments:
 - ◆ Population Migration Trends
 - ◆ Population Composition Trends

Population Migration

Out Migration

- There are two major population migration trends that have significant implications for municipal governments and their communities.

- ◆ The first population migration trend that has a major effect on the municipal system is out-provincial migration. The out migration of people from Saskatchewan to other provinces and countries has a negative effect on the population and economic bases of most, if not all municipalities in this province (see Appendix 1.1).

Intra-Provincial Migration

- ◆ The second population migration trend that has a major effect on the municipal system is intra-provincial migration. Intra-provincial migration is at least as important as out of province migration in terms of the effects it has on municipal governments and their communities.

- ◆ The migration of people from rural and small urban areas to larger urban areas continues to be a major trend in this province. Indeed, it seems to be a trend that is increasing in scope over time and will likely continue to do so in the near and more distant future (see Appendix 1.2).

- ◆ The most significant migration trend is what might be termed the "urbanization" of the population as people from rural and small urban areas are moving to an increasingly smaller number of large urban communities and particularly the largest towns and cities.

Population Composition

Age Composition

- There are two major population composition trends that have significant implications for municipal governments and their communities.

- ◆ The "population age composition" trend is not uniform for all municipalities. Whereas the average age for the population in some municipalities is increasing substantially with each passing year, the average age for municipalities in other municipalities is either staying the same or decreasing substantially (see Appendix 1.3).

- ◆ The "population age composition" trend has significant implications for municipal governments and their communities. The average age of the population of various municipalities, as well as the precise distribution of various age groups within each of them, have significant implications for:
 - The types and levels of services that municipalities are required to provide;
 - The ability of municipalities to provide those services in meeting the needs of various age groups.

Ethnocultural Composition

- ◆ The major "ethnocultural composition" trend that has significant implications for municipal governments and their communities is what might be termed the "Aboriginalization" trend.

- ◆ This refers to the rapidly increasing size and proportion of the Aboriginal population in this province. Indications are that this will likely continue to occur for at least the next few decades (see Appendix 1.4).

- ♦ The increasing size and proportion of the Aboriginal population in this province does not affect all municipal governments and their communities equally. Nevertheless they are all affected in some manner either directly or indirectly.
- ♦ The increasing size and proportion of the Aboriginal population in this province is significant for municipal governance in several major ways:
 - It requires more municipal governments to understand that Aboriginal issues are no longer, if they ever were, just the issues of the federal and provincial orders of government.
 - It requires more municipal governments to be responsive to the needs and preferences of their Aboriginal residents.
 - It requires more municipal governments to be sensitive to the needs and preferences of their neighbouring Aboriginal governments.
 - It requires more municipal governments to engage in partnerships and activities with Aboriginal governments that are mutually beneficial for both of them.
 - It requires the provincial and federal governments to consider two key matters to ensure that Aboriginal and municipal governments are able to govern effectively in relation to each other:
 - The types of statutory and non-statutory frameworks that they must establish within the scope of their respective jurisdictions, and/or
 - The types of statutory and non-statutory frameworks that Aboriginal and municipal governments should establish within the scope of their own respective jurisdictions.

2.2 Economic Trends

What economic trends are problematic?

Changes in Nature of Economy

Changes in Commodity Prices

Changes in Patterns & Modes of Transportation

Changes in Patterns & Modes of Trade and Commercial Interactions

➤ The major economic trends that affect municipal governments include:

- ♦ The nature of the provincial economy has changed from one that was primarily agricultural and natural resource based to a more diversified economy.
- ♦ The levels of agricultural and non-agricultural commodity prices fluctuate wildly. Such fluctuations have major implications for governments, businesses and individuals in this province.
- ♦ There have been major changes in the modes of transportation for agricultural commodities and other materials (i.e., shift from railways to roadways, and shifts from some roadways to others);
- ♦ There have been major changes in the location of commercial & industrial enterprises both in the agricultural and non-agricultural sectors (e.g., elevators, industries, major department stores).
- ♦ There have been major changes in the modes that are used for trade and commercial interactions as a result of advances in technology and transportation.
- ♦ There have been major changes from local to regional economies resulting from changes to the patterns and modes of commercial interactions.

**What are the
problematic features of
the municipal system?**

3. Problematic Features of the Municipal System

- There are two striking features of Saskatchewan's municipal system that have considerable implications on the need for renewal. These are:
 - ◆ The fragmented nature of the system
 - ◆ The diverse nature of the system
- Some degree of fragmentation and diversity within a municipal system is inevitable. Indeed, as suggested by some academic experts of municipal government, some degree of fragmentation and diversity is necessary and beneficial both from a governance and planning and development standpoint.
- Such experts point to benefits such as increased choice for individuals in locating their residence or business based on their preferences for certain levels of services, taxation, and type of municipal governance. Invariably, however, even such experts acknowledge that there is a limit to the degree of fragmentation and diversity that is necessary and beneficial.
- It is debatable whether any of them would find the inordinate degree of fragmentation and diversity within Saskatchewan's municipal system as necessary and beneficial from the standpoint of good governance, good planning and development, or good service delivery.

3.1 Fragmented Nature of the Municipal System

**How is fragmentation
a problem?**

- Saskatchewan's system of municipal government is highly fragmented. Indeed, Saskatchewan has one of the most fragmented municipal systems in Canada, particularly at the structural level. Such fragmentation is evident in at least four key elements of the system:
 - ◆ **Structure**
 - ◆ **Jurisdiction**
 - ◆ **Functions**
 - ◆ **Finances**

Fragmented Structure

- The fragmented nature of the municipal system is most evident in its highly fragmented structure. Saskatchewan has approximately 1000 municipal units:
 - ◆ 836 fully incorporated municipalities; and
 - ◆ 170 quasi-municipalities (i.e., organized hamlets and settlements).
- Structurally, Saskatchewan has the second most fragmented municipal system in the country. Only Quebec has more municipalities (see Appendices 2.1 and 2.2). Saskatchewan's 836 municipalities are approximately:
 - ◆ 250 more than Ontario,
 - ◆ 450 more than Alberta,
 - ◆ 500 more than Newfoundland,
 - ◆ 600 more than Manitoba,
 - ◆ 700 more than BC and New Brunswick, and
 - ◆ 750 more than Nova Scotia and PEI.
- Moreover, Saskatchewan has many more municipalities than provinces with total population sizes that are approximately:
 - ◆ the same (e.g., Manitoba)
 - ◆ 3-4 times larger (e.g., B.C. and Alberta)
 - ◆ 10 times larger (e.g., Ontario).

- Saskatchewan has the lowest population per municipality (1,225) of any province (see Appendix 2.2). Most other provinces have populations per municipality in the following ranges:
 - ◆ 5,000-8,000 (Quebec, Manitoba, New Brunswick and Alberta)
 - ◆ 17,000-25,000 (Nova Scotia, British Columbia, and Ontario).

Fragmented Jurisdiction

- The fragmented nature of the municipal system is also evident in the fragmented nature of municipal jurisdictional authority and autonomy among the approximately 1000 units including 836 municipal governments and the 170 quasi-municipal units (e.g., organized hamlets).
- Additional fragmentation also results because some of authority of municipal governments is delegated to various inter-municipal authorities that are established to deal with various matters across municipal boundaries. This includes for example:
 - ◆ Agricultural Diversification & Development Boards
 - ◆ Area Transportation Planning Authorities
 - ◆ Conservation and Development Area Authorities
 - ◆ Emergency 911 Districts
 - ◆ Irrigation Districts
 - ◆ Regional Economic Development Authorities
 - ◆ Regional Library Authorities

Fragmented Functions

- The fragmented nature of the municipal system is also evident in the fragmentation of municipal functions. The structural fragmentation contributes to a fragmentation of functions among the 1000 municipal units. Each of them tries to perform various governance, planning, development, and service delivery functions. The result is that the performance of any given municipal function could involve all 1000 municipal units.

Fragmented Finances

- The fragmented nature of the municipal system is also evident in the fragmentation of municipal finances. The finances are fragmented among the 1000 municipal units. Each of them has a separate and distinct pool of financial resources. This creates 1000 separate and distinct pools of financial resources in the province.
- The sheer number of such pools, results in the distribution of a limited amount of resources so widely and thinly that in many of those pools there aren't enough resources to grow anything substantial. Indeed, in some cases the resources may well be evaporating without any growth at all.
- In addition to being distributed thinly and widely, invariably those resources are not distributed equitably among the 1000 municipal units. This poses major challenges for many municipal governments and their communities in performing their governance, planning, development, and service delivery functions.
- The obvious questions that must be asked are:
 - ◆ "Would there be a benefit to the concentration of those financial resources into fewer pools?"
 - ◆ "What would be the optimal number of pools?"

3.2 Diverse Nature of the Municipal System

- The foregoing has highlighted the fragmented nature of the municipal system. The municipal system is also very diverse. In other words, the system is very diverse or differentiated rather than uniform or standardized. The diversity is evident in at least four key elements of the system:
 - ◆ **Structure**
 - ◆ **Jurisdiction**
 - ◆ **Functions**
 - ◆ **Finances**

Diverse Structure

- The structure of the municipal system is not only fragmented, but also diverse. It is diverse in all of the following:
 - ◆ The types of municipalities;
 - ◆ The incorporation criteria of municipalities; and
 - ◆ The population and geographic sizes of municipalities.

Diverse Types

- Saskatchewan has many different types of municipalities and quasi-municipalities or communities, particularly in the Urban and Northern components of the municipal sector.
 - ◆ In the Urban component there are: Cities, Towns, Villages, and Resort Villages
 - ◆ In the Northern component there are: Towns, Villages, Hamlets and Settlements
 - ◆ In the Rural component there are: Rural Municipalities, Organized Hamlets, and Hamlets.

Diverse Incorporation Criteria

- Each type of municipality has different criteria for incorporation (see Appendix 2.1).
- The population criteria vary from a population of 100 for some types of municipalities to 500 for others and 5000 for cities. Moreover, some of the smaller types of municipalities (e.g., villages, resort villages, and hamlets) have a minimum number of dwellings criteria which, indirectly at least, could be considered to constitute a "minimum assessment base" criterion.
- By contrast, Rural Municipalities do not have any population or assessment criteria for incorporation. Most of them were incorporated on the basis of the criteria that was laid out in the original Rural Municipalities Act which included a minimum geographic size of 324 square miles and a "minimum population density" of 1 person per square mile. This criteria for rural municipalities was eliminated and no other type of criteria was included in the current legislation.
- Incorporation of Rural Municipalities under the current act is strictly a matter of ministerial discretion and approval. This means that it is up to the Minister responsible for municipalities to determine what, if any, criteria or considerations to apply in incorporating Rural Municipalities.

Diverse Population Size

- The municipal sector is also diverse in terms of the population size of municipalities. Such diversity not only exists between the three major categories of municipalities, but also within them. This is evident in Appendix 2.3 and Appendix 2.5 which provides population characteristics and population ranges for various types of municipalities.
 - ◆ Appendix 2.5 reveals that:
 - 20% (166) have a population less than 100 people
 - 32.3% (269) have a population less than 200
 - 65% (542) have a population less than 500
 - 87% (626) have a population less than 1000
 - 95.6% (699) have a population less than 2000
 - ◆ Appendix 2.5 also reveals that only:
 - 13% (110) have a population larger than 1000 people
 - 4.4% (37) have a population larger than 2000

Diverse Geographic Size

- Municipalities are also diverse in terms of their geographic size. This is true of all types of municipalities. Such diversity exists among urban, northern, and rural municipalities. Among rural municipalities, for example, one finds a wide geographic range between the smallest municipality at 418 square km. and the largest municipality at 12, 482 square km. (see Appendix 2.8).

Diverse Jurisdiction

- The municipal system is also diverse in terms of the jurisdictional authority and autonomy. Not all municipalities have the same authority and autonomy. There are matters for which certain types of municipalities are entitled to exercise authority and autonomy but other municipalities are not. This ranges from financial matters such as assessment and taxation, to bylaw making powers, to the types of entrepreneurial ventures that they can undertake

Diverse Functions

- The system is also diverse in terms of the functions of different types of municipalities. Such diversity occurs in at least two ways. First, in the functions that are specified within the legislation that various types of municipalities must or may perform. Second, in the function that various types of municipalities ultimately need or choose to perform (see Appendices 3.1 and 3.2).
- This diversity is also evident among the same type of municipalities in terms of the precise functions that they perform. Invariably, some municipalities perform more and some perform less functions or at the very least they perform somewhat different functions.
- Similarly, there is considerable difference in the extent to which various municipalities are willing to contribute financially in sharing the costs of performing certain functions (i.e., services or facilities) performed by a neighbouring municipality but which benefits or is used by residents of both municipalities.

- The foregoing type of diversity leads to uneven coverage in the type and level of services provided by various municipalities. Such uneven coverage can be more than a problem of uneven servicing of residents in various municipalities. Ultimately, particularly where protective services are concerned (e.g., emergency, fire, and policing) it could pose a danger for residents of all municipalities in matters of life and death.
- If there were no other reason to consider the need for municipal renewal, this would certainly be a very important one.

Diverse Finances

- There is also diversity in the finances within the municipal sector. This is evident in at least two key areas of finances.
 - ◆ revenue bases of municipalities
 - ◆ assessment bases of municipalities
- First, there are differences in the financial bases available to municipalities depending on the nature of their economy and natural resource base. Some municipalities are blessed with some lucrative natural resource revenue sources and others have none. Some municipalities have considerable revenues from various utilities, and some have none (see Appendices 4.1 and 4.2).
- Second, and closely related to the first, there is also considerable diversity in the property tax assessment bases for various municipalities. Whereas some have very large assessment bases, others have very small assessment bases. Such differences exist as much among a particular type of municipality as they do between the different types of municipalities.
- The diverse nature of the assessment base in various types of municipalities is clearly evident in Appendix 4.3.

**What are the effects
of the problematic
trends & features?**

4. Effects of Problematic Economic & Demographic Trends & Problematic Features of the Municipal System

- The economic and demographic trends, together with the problematic features of the municipal system, have many effects on Saskatchewan's municipal governments as well as their communities and economies. This includes the following five major categories of effects:
 1. Incompatibilities
 2. Imbalances
 3. Inequities
 4. Inter-Municipal Spillovers
 5. Increased Costs

These major effects are discussed, in turn, below.

4.1. Incompatibilities

**What are the
incompatibilities?**

*Local Municipalities
Versus
Regional Communities &
Economies*

- The first major set of effects of various economic and demographic trends are "incompatibilities" or misalignments between the structural nature the municipal system and the structural nature of communities and economies.
- Whereas, the municipal system is structured or organized largely on a local basis (i.e., with one municipal government per community and local economy) the current and emerging communities, economies and even many governing frameworks are, or are being, structured or organized largely on a regional basis.
- The incompatibilities between the regional nature of communities and economies on one hand and the local nature of the municipal system on the other are likely to increase in the near and distant future.
- Even a very well organized and highly directed campaign for "localism" and against "regionalism" is unlikely to slow down the movement toward regionalization, and reduce the scope of the incompatibility.

Regionalization of Economies & Communities

- The regionalization of communities is clearly evident in the regional dynamics in three key areas:

(a) Regionalization of Commercial Sector

*Regionalization of
Commercial Sector*

The regionalization of the commercial sector is evident in the emergence of "regional commercial services centres" in various parts of the province. The various commercial entities are based in these centres to provide services to individuals and groups in the region.

(b) Regionalization of Non-Commercial Sector

*Regionalization of
Non-Commercial Sector*

The regionalization of the non-commercial sector is evident in the emergence of "regional non-commercial service centres" in various parts of the province. Various non-commercial organizations that are based in these centres provide services to individuals and groups in the region. Examples of this are regional offices for governmental and non-governmental organizations. Ironically, even the offices of several rural municipalities are in these regional centres.

*Regionalization of Social,
Cultural and Recreational
Centres*

(c) Regionalization of Social, Cultural & Recreational Sector

The regionalization of the social, cultural, and recreational sector is evident in the "regional social, cultural and recreational centres" in various parts of the province. These are not just buildings, but places where individuals within a given region go to engage in social, cultural, and recreational activities.

Question:

In light of the regionalization of economies & communities the following question emerges:

- ◆ Should the municipal system continue to operate largely on a "local basis", while economies and communities are operating largely on a "regional basis"?

Regionalization of Governance

- The current and emerging regionalization of governance is clearly evident in the emergence of regional governing entities or authorities both inside and outside the municipal sector.

(a) Regionalization of Governance Inside the Municipal Sector

Inside the municipal sector this is evident in the emergence of various formal and informal governing frameworks designed to foster and facilitate inter-municipal coordination and cooperation (e.g., REDAs, Community Futures, Parks and Recreation Boards, Area Transportation Planning Committees, etc.). The sharing of facilities, administrators and equipment among neighbouring municipalities is also evidence of the regionalization of governance, management and service delivery.

(b) Regionalization of Governance Outside the Municipal Sector

Outside the municipal sector this is evident in the emergence of various regional non-municipal authorities (e.g., Education, Health, etc.).

Question:

- In light of the regionalization of governance dynamics inside and outside the municipal sector, the following question emerges:
 - ◆ Should the bulk of the municipal system continue to operate largely on a "local basis", while other parts of it and other forms of governance are operating largely on a "regional basis"?

Regionalization Dynamics of Past vs. Dynamics of Today & Tomorrow

- The regionalization dynamics outlined above are by no means new to Saskatchewan. The major difference between the regional dynamics of today and tomorrow as compared to those in the past is simply one of geographic scale. The regional dynamics of the past occurred on a much smaller geographic scale, than the regional dynamics of today and tomorrow. The regional boundaries have expanded constantly as the means and modes of transportation and communication have improved over time.

*Regionalization Dynamics –
Past, Present & Future*

4.2 Imbalances

What are the imbalances?

- The second major set of effects of the economic and demographic trends are “imbalances”. This refers to the imbalances in several important bases of municipalities and communities created by economic and demographic shifts.

Imbalances in the economic bases of municipalities & communities

Imbalanced Economic Bases

- The first type of imbalances occurs in the economic bases of municipalities and communities. Whereas some municipalities and communities have large and expanding economic bases, others have small and shrinking or stagnant economic bases.

Imbalances in the population bases of municipalities & communities

Imbalanced Population Bases

- The second type of imbalances occurs in the population bases of municipalities and communities. Whereas some municipalities and communities have a large and expanding or even booming population base, others have a small and shrinking or stagnant population base.

Imbalances in the organizational capacities of municipalities & communities

Imbalanced Organizational Capacities

- The third type of imbalances occurs in the organizational capacities of municipalities and communities. The imbalances in economic and population bases noted above create, in turn, major imbalances in the organizational capacities of municipalities and communities.
- Organizational capacities refer to, among other things, the financial and human resources available to municipalities as well as their jurisdictional power.
- The imbalance in such capacities results in the following three other closely related types of imbalances in capacities:
 - ◆ Imbalances in Governance Capacities
 - ◆ Imbalances in Service Delivery Capacities
 - ◆ Imbalances in Planning and Development Capacities

Imbalances in the Governance Capacities of Municipalities & Communities

Imbalanced Governance Capacities

- Imbalances in the organizational capacities of municipalities contribute to imbalances in governance capacities. In other words, they contribute to differences in the type of governance structures and processes that various municipalities can establish and operate effectively. This includes various types of communication, consultative, advisory and appeal mechanisms and processes that are crucial for good governance.

*Imbalanced
Service Delivery Capacities*

Imbalances in Service Delivery Capacities

- Imbalances in the organizational capacities of municipalities also contribute to imbalances in service delivery capacities. In other words, they contribute to differences in the type and level of services that various municipalities can establish and deliver effectively. This includes various types of infrastructure services and community services that are crucial for communities and their economies.

*Imbalanced
Planning & Development
Capacities*

Imbalances in Planning and Development Capacities

- Imbalances in the organizational capacities of municipalities also contribute to imbalances in planning and development capacities. In other words, they contribute to differences in the type and level of effective planning and development that can be undertaken in various municipalities.
- This includes various types of planning and development, but most notably economic planning and development, land use planning and development, community planning and development, recreational and cultural planning and development, and environmental planning and development.
- The effective performance of these planning and development functions are absolutely critical for the future of local, regional, and provincial communities and economies in Saskatchewan.

Summary

Summary of Imbalances

- In summary, there are several imbalances within the municipal sector. Unless some major initiatives are undertaken to equalize all of the aforementioned imbalances, some municipalities and communities will have extensive financial, organizational, and development capacities, and others will have only nominal capacities.
- Should such equalization be the responsibility of the provincial government or of municipal governments? If it remains the responsibility of the provincial government, which of the following mechanisms should it use for equalization purposes?
 - ◆ The periodic transfer of funds from well resourced to poorly resourced municipalities by the provincial government?
 - ◆ The consolidation of neighbouring municipalities within a region so that well resourced and poorly resourced communities within a region could pool and share their resources more equitably without any interference by the provincial government?

Key Question:

- The key question here is whether either the “**Region**” or “**Regina**” should deal with issues of imbalances, equalization and equity.

4.3. Inequities

What are the inequities?

- The third major set of effects of various economic and demographic trends are “inequities” among residents and ratepayers in various neighbouring and non-neighbouring municipalities and communities.
- This includes at least three major types of inequities.

Service Inequities

Service Inequities

- First, those trends create inequities in the level and quality of services provided and received. Some municipalities are able to provide a higher level and quality of services to their residents due to the effects of, among other things, various economic and demographic trends.

Taxation Inequities

Taxation Inequities

- Second, those trends also create inequities in the taxation levels for services provided and received. Some municipalities are much more able than others to provide a higher level and quality of services to their residents at a much lower taxation (or user fee) rate largely due to the effects, of among other things, various economic and demographic trends.

Development Inequities

Development Inequities

- Third, those trends also create inequities in the development opportunities of various municipal governments and communities.
- Whereas the development opportunities of some municipalities and communities are increased substantially, the opportunities for others are diminished substantially.
- The major problem here is that the development opportunities are increasing only for a limited number of municipalities and communities, and they are decreasing for many others largely due to, among other things, the various economic and demographic trends noted above.
- The inequities in development opportunities are likely to compound the inequities in the levels of services and taxation and user fees of individuals and businesses in the various parts of the province.
- Whereas some residents and ratepayers in some municipalities will have higher taxes and lower services, those in other municipalities will have lower taxes and higher services.

***What are the
inter-municipal
spillovers?***

4.4. Inter-Municipal Spillovers

- The fourth major set of effects of various economic and demographic trends and the problematic features of the municipal system are inter-municipal spillovers. This refers to the effects that what one municipal or non-municipal jurisdiction does has for others either in terms of costs or benefits.
- Various economic and demographic trends have increased the number and scope of such spillovers to date and will continue to do so in the future. The reason for this is that the nature of various contemporary economic and demographic trends make it very difficult to contain the costs and benefits within the boundaries of the relatively small municipal units that were designed nearly a century ago based on economic and demographic trends of that time. There are at least two broad categories of such spillovers.
 - ◆ Economic spillovers
 - ◆ Environmental spillovers
- The type of economic and environmental activities that take place in some municipalities will have costs and benefits for their neighbouring municipalities.
- Examples of such costs are those in areas of transportation, emergency services, protective services, water and waste management services, and environmental protection services.
- Examples of such benefits are increased population, increased tax base, and the reduced need for a given municipality to provide certain services and programs that are needed or preferred by its residents and ratepayers if they are already provided and made accessible by a neighbouring municipality.
- Invariably, such costs and benefits resulting from spillovers raise questions among neighbouring municipalities and their respective ratepayers and residents regarding who benefits and who pays for various things. This then becomes an issue of fairness and equity.

What types of increased costs?

Increased costs for whom?

4.5. Increased Costs

- The fifth major set of effects of the aforementioned problematic economic and demographic trends and the problematic features of the municipal system are increased costs. The nature of the current municipal system contributes to an increase in two major types of costs for municipalities:
 - ◆ Operational Costs
 - ◆ Opportunity Costs
- The increased operational and opportunity costs are not incurred only by municipal governments. They are also incurred by:
 - ◆ Ratepayers & residents;
 - ◆ Businesses;
 - ◆ Organizations; and
 - ◆ Other governments.

Increased Costs For Municipalities

Increased Costs for Municipalities

- The current system has some significant operating and opportunity costs for municipal governments.

Increased Operating Costs for Municipalities

Operating Costs for Municipalities

- The first major types of increased costs are "operating costs." Operating costs are those that are incurred by municipal governments and others in operating either within or in relation to the current municipal system. There are three major sub-categories of operating costs:
 - ◆ Those that stem from operating municipalities;
 - ◆ Those that stem from paying for services that are provided by municipalities;
 - ◆ Those that stem from having to deal with different municipalities in getting certain things done. These are sometimes referred to as coordination costs.
- The problematic nature of the current municipal system creates some additional operating costs for municipal governments both on an individual and collective basis. They have many different types of expenses for which there is either unnecessary duplication, or an inability to achieve potential savings through economies of scale for various expenditures such as bulk purchasing, and the sharing of facilities, staff, equipment, or services.
- Although some municipalities have undertaken some interesting and important initiatives in the aforementioned areas, their nature and scope are far from optimal as it could or should be throughout the province.

Increased Opportunity Costs for Municipalities

Opportunity Costs for Municipalities

- Opportunity costs are the other major types of costs that are incurred as a result of problematic economic and demographic trends and the problematic features of the municipal system. They are those costs incurred when valuable opportunities are lost due to, among other things, constraints imposed by the nature of the current municipal system, or the financial management and development choices made by those in the system.

- These are very important and substantial costs. Indeed, opportunity costs are probably far more significant than many operational costs.
- Unfortunately, despite their importance, opportunity costs are often overlooked in calculations and debates regarding the relative merits of the current municipal system versus the merits of a renewed municipal system. Part of the reason that they are overlooked is that they are difficult to identify and quantify. Part of the reason that they are difficult to identify is that there are contending visions regarding what municipal governments, either individually or collectively should and could be doing that would not only benefit them, but also their communities, residents and ratepayers.
- In assessing the relative merits of the status quo versus various models for renewing the municipal system, the Task Force encourages everyone to devote as much, if not more, attention to these particular types of costs than to operating costs.
- There are at least two major categories of opportunity costs for municipalities that they incur due to the problematic nature of the municipal system:
 - ◆ Opportunity Costs in Service Delivery
 - ◆ Opportunity Costs in Development

Opportunity Costs in Service Delivery

Opportunity Costs in Service Delivery

- Municipalities incur opportunity costs in service delivery because there are some services that they are unable to provide or to provide as well as they otherwise could because of the problematic nature of the municipal system.

Opportunity Costs in Development

Opportunity Costs in Development

- Municipalities incur opportunity costs both in community and economic development because there are development opportunities that they are unable to seize upon or to seize upon as well as they otherwise could because of the problematic nature of the municipal system.

Increased Costs For Others

Increased Costs for Others

- The problematic economic and demographic trends and the problematic features of the municipal system do not increase operational and opportunity costs only for municipal governments. To varying extents, either directly or indirectly, they also increase both operational and opportunity costs for the following:
 - ◆ Residents and Ratepayers
 - ◆ Business Organizations
 - ◆ Voluntary Organizations
 - ◆ Local Governing Authorities
 - ◆ Provincial Government
 - ◆ Federal Government
 - ◆ Aboriginal Governments

Operating Costs for Ratepayers and Organizations

Operating Costs for Ratepayers & Organizations

- In the case of operational costs, residents and ratepayers, business organizations, and voluntary organizations, either have to pay higher levels of taxation or user fees for services and/or the quantity or quality of services they receive are reduced.

Operational Costs for Other Governments

Operating Costs for Other Governments

- Similarly, various governing authorities and governments end up having to spend more money in communicating, negotiating, and partnering with municipal governments in such a highly fragmented and variegated system.

Opportunity Costs for Ratepayers and Organizations

Opportunity Costs for Ratepayers & Organizations

- In the case of opportunity costs, residents and ratepayers, business organizations, and voluntary organizations, are all unable to capitalize on certain opportunities due to challenges or obstacles posed by the highly fragmented and variegated nature of the municipal system. For residents this might mean lost employment and entrepreneurial opportunities, for business organizations it might mean lost business opportunities, and for voluntary organizations it might mean lost servicing and development opportunities.

Opportunity Costs for Other Governments

Opportunity Costs for Other Governments

- Similarly, various governments cannot capitalize as easily on certain opportunities due to the challenges and obstacles posed by the highly fragmented and variegated nature of the municipal system. This includes a range of opportunities related to their respective missions and mandates. The most notable of these are lost opportunities related to their own:
 - ◆ Servicing initiatives;
 - ◆ Community Development initiatives; and
 - ◆ Economic Development initiatives.
- Having to deal with such a fragmented and variegated municipal system, invariably has one of the following effects on other governments who are trying to initiate or implement their respective initiatives:
 - ◆ It leads to delays in certain initiatives,
 - ◆ It leads them to abandon certain initiatives; and
 - ◆ It leads them not to consider certain initiatives.
- The problematic economic and demographic trends, together with the problematic features of the system impose extra operating and opportunity costs on all of the aforementioned individuals, organizations, and governments. To reiterate, the most significant costs could well be the opportunity costs. The net effect of these opportunity costs (or lost opportunities) is the underdevelopment of local, regional, and provincial communities and economies. A fundamental goal of renewal is to determine how those costs can be reduced.

Summary, Conclusions & Key Questions on Need For Renewal

- In summary, the major thrust of this section has been that renewal is needed because a combination of problematic economic and demographic trends combined with some problematic features of the municipal system, are producing some substantial negative effects.
- Such negative effects include: incompatibilities, imbalances, inequities, inter-municipal spillovers and increased Costs
- Those effects are felt either directly or indirectly not only by municipal governments but also by each of the following:
 - ◆ Ratepayers and residents
 - ◆ Business organizations
 - ◆ Voluntary organizations
 - ◆ Local Governing Authorities
 - ◆ Aboriginal Governments
 - ◆ Provincial Government
 - ◆ Federal Government
- Given the foregoing overview of various problems and their effects, the key questions to consider are as follows:
 - ◆ What is the acceptable degree of incompatibilities, imbalances, inequities, and increased costs within the municipal sector?
 - ◆ How will the negative effects of these incompatibilities, imbalances, inequities, and increased costs be managed?
 - ◆ Who is to manage these negative effects? Is it the governmental sector on its own, or governmental and non-governmental sectors in partnership.
 - ◆ Which order of government is best placed to manage these negative effects? Is it the provincial, federal, or municipal governments?
 - ◆ If municipal governments, either on their own or in conjunction with the provincial and federal governments, are best placed to manage these negative effects, what form of municipal governments could best manage them? Is it the existing municipal governments in their current form or in some modified form, or is it completely new forms of municipal government? If the answer is either modified or new forms, of municipal governments, then precisely what forms should they take?
 - ◆ Who should absorb the increased costs - a particular order of government, or ultimately is it the ratepayers and taxpayers?
- Those are just a few of the fundamental questions that must be addressed. The remainder of this report provides some insights on the vision, goals, objectives, directions, and approaches that the Task Force believes should be considered in an effort to address them.
- All of those sections are based on the thinking outlined in this section that there is a need to renew the municipal system and that there are some very important reasons for doing so. The status quo is not a positive or constructive option for the future of the local, regional and provincial communities and economies in Saskatchewan in the 21st century.
- All of those sections are also based on an affirmative answer to the question posed on the title page of this report:

"Does the number and power of municipalities matter for Saskatchewan's development in the 21st century?"

III. VISION, GOALS, & OBJECTIVES OF MUNICIPAL RENEWAL

1. Vision of Municipal Renewal

- | | |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | ➤ The analysis of the need for and nature of municipal renewal in this Interim Report are based on the vision of the ideal municipal system for Saskatchewan in the 21 st century outlined below. |
| <i>Purpose of Vision Statement</i> | ➤ The purpose of the vision statement is to provide everyone who is either involved with or interested in the municipal renewal initiative with: <ul style="list-style-type: none">◆ A vision that they can compare and contrast with their own vision.◆ A vision that guides the analysis and recommendations in this report on the need for and nature of renewal. |
| <i>Basis of Vision Statement</i> | ➤ The vision statement is based on visions and views expressed by residents and ratepayers in Saskatchewan both orally and in writing to the Task Force during the past year. The Task Force found that there is considerable consensus on most, if not all, elements of this vision. |
| <i>Nature & Elements of Vision Statement</i> | ➤ This vision statement consists of a set of beliefs, wishes, principles or goals regarding the future importance and nature of municipal governance in Saskatchewan in the 21 st century.

➤ In effect, it consists of the end goals of both municipal renewal and, ultimately, of municipal governance. More specifically, it consists of key goals or principles on each of the following aspects of municipal governments in the future: <ul style="list-style-type: none">1. Importance of Municipal Governments2. Purpose of Municipal Governments3. Status of Municipal Governments4. Functions of Municipal Governments5. Powers of Municipal Governments6. Finances of Municipal Governments7. Forms of Municipal Governments8. Governance by Municipal Governments9. Management by Municipal Governments10. Statutory Framework for Municipal Governments |
| <i>Comments on Vision Statement</i> | ➤ The Task Force welcomes your written comments regarding this vision of "Municipal Governance for Saskatchewan in the 21 st Century." |

1. IMPORTANCE OF MUNICIPAL GOVERNMENTS

- In the 21st century all municipal governments will be very important in the overall governance, management, and development of Saskatchewan's local, regional and provincial communities and their economies. Their importance in these matters will be comparable to and consonant with that of the provincial government.

2. PURPOSE OF MUNICIPAL GOVERNMENTS

- In the 21st century the fundamental purpose of municipal governments will be to foster the following within their boundaries: good governance; good economic, community, social and cultural development; and a good quality of life.

3. STATUS OF MUNICIPAL GOVERNMENTS

- In the 21st century the status of municipal governments as an order of government will be recognized and affirmed within either the provincial, constitutional or statutory framework, or both.

4. POWERS OF MUNICIPAL GOVERNMENTS

- In the 21st century municipal governments should have the requisite powers to perform their functions and to fulfill their fundamental purpose.

5. FUNCTIONS OF MUNICIPAL GOVERNMENTS

- In the 21st century municipal governments should perform all the functions that contribute to the fulfillment of their purpose, except for those which the local, regional, or provincial public interest requires either a local, regional, or provincial government or authority to perform.

6. FINANCES OF MUNICIPAL GOVERNMENTS

- In the 21st century municipal governments should have adequate, secure, and predictable access to the financial resources needed to perform their functions and fulfill their fundamental purposes.

7. FORMS OF MUNICIPAL GOVERNMENTS

- In the 21st century the forms of municipal governments should balance the benefits provided by relatively large units (e.g., economies of scale in administration and services; the critical masses of people and resources needed for development, etc.), and the benefits provided by relatively small units (e.g., responsive and accessible governance).

8. GOVERNANCE BY MUNICIPAL GOVERNMENTS

- In the 21st century municipal governments should govern according to the fundamental principles of democratic governance.

9. MANAGEMENT BY MUNICIPAL GOVERNMENTS

- In the 21st century municipal governments should manage their programs and assets according to the fundamental principles of sound public management.

10. STATUTORY FRAMEWORK FOR MUNICIPAL GOVERNMENTS

- In the 21st century the statutory framework for municipal governments should be sufficiently clear, concise, and consolidated to make it readily understandable and useable for everyone.

2. Goals Of Municipal Renewal

General Goals

*Sustainable,
Vital, Vibrant and Viable
Communities & Economies*

Sustainable Development

Strong Municipal System

- The general goals of municipal renewal are fourfold:
- First, to establish a municipal system that is based on and embodies the principles contained in the vision of municipal governance in the 21st Century outlined above.
- Second, to establish a system that will contribute to sustainable, viable, vital, and vibrant local, regional and provincial communities and economies in Saskatchewan for the 21st century.
- Third to establish a municipal system that fosters and facilitates sustainable:
 - ◆ Economic development;
 - ◆ Community development;
 - ◆ Social development;
 - ◆ Cultural development; and
 - ◆ Environmental development.
- The fourth goal is to establish a **municipal system** that has the appropriate jurisdictional, functional, financial, structural, and statutory frameworks to perform a central and effective role in the overall governance, management, and development of Saskatchewan's communities and their economies. This is a role that should be comparable to and consonant with the role of the provincial government.

Specific Goals

*Good Governance
Good Service Delivery
Good Development
Good Relations*

*Powerful Municipalities
Resourced Municipalities
Capable Municipalities*

- The two specific goals of municipal renewal, therefore, are as follows:
 - ◆ First, to establish a municipal system in which municipal governments would operate either to provide or to foster and facilitate:
 - Good Municipal Governance & Management
 - Good Municipal Services
 - Good Economic Development
 - Good Community Development
 - ◆ Second, to establish a municipal system in which municipal governments would be:
 - Very powerful in terms of jurisdictional authority & autonomy;
 - Very well resourced in terms of financial and human resources;
 - Very capable in terms of engaging in effective planning and development for their areas.

3. Objectives Of Municipal Renewal

General Objectives

- In achieving those goals and addressing the need for renewal, the general objectives of municipal renewal are to make progress of each of the following matters that have been identified in previous sections of this report:

Maximize Capacities in the Municipal System:

- ◆ Maximize Governance & Organizational Capacity
- ◆ Maximize Service Delivery Capacity
- ◆ Maximize Planning and Development Capacity

Minimize Problems in the Municipal System:

- ◆ Minimize Incompatibilities
- ◆ Minimize Imbalances
- ◆ Minimize Inequities
- ◆ Minimize Inter-jurisdictional spillovers

Minimize Costs Inside & Outside the Municipal System:

- ◆ Minimize Operational Costs
- ◆ Minimize Opportunity Costs

Specific Objectives

- In achieving these general objectives, some of the key specific objectives for municipal renewal include:
 - ◆ Empowering municipalities
 - ◆ Resourcing municipalities
 - ◆ Standardizing municipalities
 - ◆ Consolidating municipalities
- To this point the Interim Report has highlighted both the:
 - ◆ Need for renewal; and the
 - ◆ Vision, goals and objectives of renewal.
- The need for, and the vision, goals, and objectives of renewal provide the backdrop and basis for subsequent sections of this report which deal with the following:
 - ◆ Directions for municipal renewal;
 - ◆ Approaches for municipal renewal; and
 - ◆ Requirements for municipal renewal.

IV. DIRECTIONS FOR MUNICIPAL RENEWAL

- This section of the report outlines:
 - ◆ The major proposed directions for renewal; and
 - ◆ The reasons for the proposed directions for renewal.
- It focuses on renewal in eight major areas:
 1. Municipal Purpose
 2. Municipal Status
 3. Municipal Powers
 4. Municipal Functions
 5. Municipal Governance & Management
 6. Municipal Legislation
 7. Municipal Finances
 8. Municipal Structures
- It must be underscored at the outset that, the directions proposed are the Task Force's preliminary directions.
- It must also be underscored at the outset that, in many instances, the directions proposed are relatively general directions.
- More precise directions will be included in the Task Force's Final Report based on submissions by others and further thinking by the Task Force regarding the general directions outlined in this Interim Report.

1. MUNICIPAL PURPOSE

Proposed Directions For Renewal

- | | |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Same Purpose For
All Municipalities | ➤ The fundamental purpose of all municipal governments should be the same. |
| Formal Recognition
of Municipal Purpose | ➤ The fundamental purpose of municipal governments should be recognized explicitly in provincial legislation. |
| Mechanisms For
Statement of
Municipal Purpose | ➤ An explicit statement regarding the fundamental purpose of municipal governments should be included either in a preamble or the appropriate section(s) of any one or more of the following: <ul style="list-style-type: none">◆ Core municipal legislation;◆ Major legislation that impinges on municipal governments;◆ Special municipal legislation or charter that defines municipal purpose;◆ Provincial-municipal protocol agreement; or◆ Provincial-municipal memorandum of understanding. |
| Nature of Municipal
Purpose Statement | ➤ The fundamental purpose of municipal governments should be to: <ul style="list-style-type: none">◆ Provide good governance and management;◆ Foster economic, community, social, cultural and environmental development;◆ Ensure good quality of life for members of their communities. |

Reasons For Proposed Directions

Why should the purpose of municipal governments be formally recognized?

- The Task Force believes the clear definition of the purposes of municipal governments is fundamentally necessary for establishing and defining key elements within the municipal system such as:
 - ◆ The Powers of Municipal Governments
 - ◆ The Functions of Municipal Governments
 - ◆ The Finances of Municipal Governments
 - ◆ The Forms of Municipal Governments
 - ◆ The Governance & Management Principles of Municipal Governments
- In almost all of the Task Force's public consultations, participants began discussion with calls for a clear definition of a "municipality".
- In addition, both elected and appointed municipal officials, have emphasized the importance of defining the purpose of municipalities as a fundamental part of recognizing the status of municipal governments.
- Major reviews of local government in recent years have recommended the clear definition of the purposes, roles, rights and responsibilities of municipal government. These reviews include:
 1. The 1996 Memorandum of Understanding (MOU) between SUMA, SARM and Saskatchewan Municipal Government;
 2. The SUMA 1995 Task Force on Urban Government Renewal (TFUGR);
 3. The 1993 Inter-Community Cooperation and Community Quality of Life Advisory Committee Report.

Why is an explicit purpose statement needed?

- Current legislation only implicitly refers to the purpose of municipal governments in terms of the matters for which they can pass bylaws. These references do not clearly or explicitly define municipal purpose, or whether the purpose of all municipal governments in the province is the same.
- Other provinces have expanded the same sort of references into explicit purpose statements and given them higher profile within introductory sections or "preambles" to their core municipal legislation.

Why this particular purpose statement?

- The Task Force believes the purpose statement outlined above reflects what it has heard from participants during its public consultations as well as in its consultations with, and in submissions from, municipal officials and associations.
- Many people believe municipal purpose to extend beyond service delivery or being agents of the provincial government to include "the broader public interests of their communities" (SUMA mid-term submission).
- The purpose statement above also captures the spirit of existing references in Saskatchewan's three core municipal acts which refer to the peace, order, and good government of the municipality, and the health, safety, morality and welfare of the residents of the municipality.
- The purpose statement is consistent with, yet different from, purpose statements in other provinces and territories in Canada which essentially list the same general purposes of municipal governments including: providing good government; developing and maintaining safe and viable communities; and providing services, facilities and other things necessary or desirable.

2. MUNICIPAL STATUS

Proposed Directions For Renewal

Same Status for All Municipalities

- The status of all municipal governments should be the same.

Formal Recognition of Status

- The status of municipal government as an “order of government” within Saskatchewan’s system of governance should be formally recognized.

Mechanisms for Recognition

- The status of municipal government as an “order of government” should be formally recognized within any one or more of the following statutory or non-statutory mechanisms:
 - ◆ Core municipal legislation;
 - ◆ Major legislation that impinges on municipal governments;
 - ◆ Special municipal legislation or charter that defines status;
 - ◆ Provincial-municipal protocol agreement or memorandum of understanding;
 - ◆ Special legislation that is entrenched in Saskatchewan’s provincial constitution.

Key Principles Regarding Municipal Status

- Provisions regarding the status of municipal governments in any of the aforementioned acts or agreements should embody the following key principles:
 - ◆ Municipal governments constitute a democratically elected, accountable and responsible order of government within Saskatchewan.
 - ◆ As an order of government they have the right to exercise autonomy within the scope of their jurisdictional authority as outlined in legislation.
 - ◆ In exercising autonomy within the scope of their jurisdictional authority as outlined in provincial legislation, they have the right to exercise their powers without undue interference by the provincial government.

Safeguarding Municipal Status

- The status of municipal governments should be recognized and safeguarded in all facets of provincial-municipal relations, including the structures and processes of the Provincial-Municipal Roundtable.

- For the purpose of safeguarding municipal status the provincial government should:

Prior Notice

- ◆ Give municipalities prior notice regarding any changes to municipal or other legislation, regulations, policies or programs that could significantly effect the ability of municipal governments to perform their functions;

Consultation

- ◆ Consult and whenever appropriate negotiate with municipalities on any legislation, regulations, policies or programs that could significantly effect the ability of municipal governments to perform their functions.

Reasons For Proposed Directions

Why is recognition of municipal status needed?

- The Task Force believes recognition of municipal governments as an order of government within provincial legislation will ensure that municipal governments play an important and crucial role in the overall governance, management, and development of Saskatchewan communities.
- Recognition of municipal status arose throughout the Task Force's public consultations, and in submissions by municipal associations, municipal officials and other individuals and organizations.
- It is widely believed that increased municipal status would help municipal governments achieve the following:
 - ◆ Better relations with the provincial government, including more involvement in, and consultation on, issues affecting municipalities.
 - ◆ Recognition as the order of government closest to the people rather than "creatures" or administrative arms of the province.
 - ◆ Greater authority & autonomy to negotiate directly with entities such as the federal government and First Nations on specific issues.

Why these mechanisms for recognition?

- Municipal governance is an area of provincial jurisdiction in Canada, and municipal status is determined by the municipal legislation in each province.
- Unlike some provinces (i.e., B.C. and Nova Scotia) and territories (i.e., Yukon), Saskatchewan's current municipal legislation contains no explicit statements regarding the status of municipalities or principles guiding the formal relationship between municipal governments and the provincial government.
- Major reviews of local government have called for the inclusion in legislation or provincial-municipal agreements of a clear statement of principles regarding municipal status and the relationship between municipal government and the province. These reviews include:
 - ◆ The 1996 Memorandum of Understanding (MOU) between SUMA, SARM and Saskatchewan Municipal Government;
 - ◆ The SUMA 1995 Task Force on Urban Government Renewal (TFUGR);
 - ◆ The 1993 Inter-Community Cooperation and Community Quality of Life Advisory Committee Report.
- British Columbia, Nova Scotia and the Yukon have recently incorporated preambles to their core municipal acts, which state that municipalities are: independent, responsible orders of government, accountable to the people.
- British Columbia has also incorporated principles regarding prior notice and consultation to guide municipal-provincial relations in their municipal act.
- Many American states, Sweden, South Africa and members of the European Union have constitutionally recognized the status of local government including providing municipal governments with the following rights:
 - ◆ The right to make decisions on behalf of their citizens (e.g., Home Rule);
 - ◆ The right to govern their own affairs & engage in autonomous activities;
 - ◆ The right not to be impeded by provincial, state or national governments.

Why the need for safeguards?

- Safeguarding the status of municipal governments as an order of government is absolutely essential to protect them from undue interference or intrusions by the provincial government in their spheres of jurisdictions.

3. MUNICIPAL POWERS

Proposed Directions For Renewal

Same Powers For All Municipalities

- The powers of all municipalities should be the same.

Clarified & Enhanced Municipal Powers

- The powers (i.e., authority and autonomy) of municipal governments should be clarified and enhanced.

Clarified & Enhanced Corporate, Regulatory, Service & Financial Powers

- The powers (i.e., authority and autonomy) of municipal governments should be clarified and enhanced in four key areas of municipal governance and management:
 - ◆ Corporate Matters;
 - ◆ Regulatory Matters;
 - ◆ Service Delivery Matters; and
 - ◆ Financial Matters.

Natural Person Powers & Spheres of Municipal Jurisdiction

- For the purpose of clarifying and enhancing the powers of municipal governments the following principles should be embodied in municipal legislation:
 - ◆ Natural Person Powers
 - ◆ Spheres of Municipal Jurisdiction

Limits to Provincial Involvement & Regulation

- Municipal governments should be able to exercise their powers, authority and autonomy within areas of municipal jurisdiction without undue interference by the provincial government, except where the provincial public interest requires the following:
 - ◆ Provincial regulations, standards and approvals; or
 - ◆ Appeals to the provincial government.

Reasons For Proposed Directions

Why should all municipalities have the same powers?

- The Task Force believes that all municipal governments should have the same powers, authority and autonomy to fulfill their common purpose and perform their common functions.
- Currently there are no clear principles in municipal legislation regarding differences in powers among different municipalities. Both major and minor differences currently exist among urban, rural and northern municipalities, among different forms of municipalities (e.g., cities, towns, villages, etc.) and among different sizes of municipalities (e.g., cities).
- This has resulted in implicit differences in autonomy for certain types and forms of municipalities regarding certain matters (e.g., council operations, management practices, financial matters, etc.), and both formal and informal requests by municipalities for uniform and equal access to the same powers.

Why should municipal powers be clarified & enhanced?

- The Task Force believes the clarification and enhancement of municipal powers will both allow and prepare municipal governments to deal effectively and innovatively with the opportunities and challenges of the 21st Century.
- Participants in Task Force consultations and the mid-term submissions by SUMA and SARM state strongly that municipalities should have maximum power, flexibility and freedom within their areas of jurisdiction.
- Submissions supporting the enhancement of specific municipal powers, authority and autonomy have also been received regarding issues such as:
 - ◆ matters of health and public safety – e.g., smoking, dangerous dogs;
 - ◆ approving agreements and contracts by resolution instead of bylaw.

Why natural person powers & spheres of jurisdiction?

- Natural person powers provide municipal governments with the same rights, powers and privileges of any ordinary person, meaning municipalities can do anything an ordinary person can do without the need for explicit authority. Natural person powers provided to municipalities in other jurisdictions (such as Alberta) have not given them any additional powers, however, they have given these municipalities more flexibility in their day to day management.
- Spheres of jurisdiction is an approach to replacing specific grants of power to do certain things with a broad grant of powers (jurisdiction) in a number of specified areas (spheres) within which municipalities have the freedom to regulate, license, etc.
- Submissions from various municipal associations recommend natural person powers and spheres of jurisdiction to provide municipalities with maximum flexibility in, and minimum regulation of, their day to day activities.

Why these limits to provincial involvement in municipal affairs?

- The Task Force believes there is a clear and important role for provincial government regulation and involvement in some facets of municipal affairs.
- Consultations with the public and municipal associations have indicated a consensus that provincial involvement in municipal affairs should be limited to protecting both the public interest and individual rights, and establishing the parameters, (i.e., regulations and standards) within which municipalities are to operate.

4. MUNICIPAL FUNCTIONS

Proposed Directions For Renewal

All Municipalities Should Perform the Same Functions

- **All municipal governments should perform the same functions**

Clarify Municipal Functions in Legislation

- **Municipal government functions should be clearly outlined in municipal legislation as:**

'the functions necessary for municipalities to fulfill their purpose of providing good governance and management, fostering economic, community, social, cultural and environmental development, and ensuring good quality of life for members of their communities.'

Core Municipal Functions

- **Municipal governments should be responsible for all the functions for which they are currently responsible either on an individual or collective basis. This includes the following major categories of core functions:**

- ◆ *Protective Services – fire, police, ambulance, emergency planning*
- ◆ *Infrastructure & Utilities – roads, water, sewer, waste management*
- ◆ *Community & Social Development – public health*
- ◆ *Parks, Recreation & Culture – libraries, parks*
- ◆ *Planning & Development – land use planning, economic development*

Consolidation & Integration of Municipal Functions

- **Many functions that are now performed on an inter-municipal or provincial-municipal basis should be performed by individual municipal governments, except where the local, regional or provincial public interest requires that they be performed by another local or provincial authority.**

Non-Municipal Functions

- **The following functions are not and should not become municipal functions:**
 - ◆ Health
 - ◆ Education
 - ◆ Welfare (Income Based Benefits)

Reasons For Proposed Directions

Why should all municipalities perform the same core functions?

- The Task Force believes that equality of functions is a pre-condition for equality of municipal purpose, status and power, and equality of financial and non-financial relationships with the provincial government.

Why should municipal functions be clarified in legislation?

- The Task Force believes municipal functions should be outlined in legislation in a way that is clear, but not prescriptive or limiting in terms of defining all the functions necessary for municipal governments to fulfill their purpose.

Why these functions?

- The Task Force believes the core municipal functions should fulfill the municipal purpose of *providing good governance and management, fostering economic, community, social, cultural and environmental development, and ensuring good quality of life for members of their communities.*
- The Task Force believes these functions include all the functions for which municipalities are currently responsible. This includes both "hard" services to property such as infrastructure, and "soft" services to people such as protective services, recreation, culture and economic development.
- The Task Force acknowledges that there is debate among municipal officials regarding the core functions for which some municipalities should be responsible, but that there is also agreement among the public that these are the core functions for which all municipalities should be responsible.

Why should municipal functions be coordinated and integrated?

- The Task Force believes all municipal functions should be coordinated and integrated on a local basis in order to better accomplish the following:
 - ◆ Reduce overlap and duplication among provincial and municipal governments and special purpose authorities;
 - ◆ Reduce confusion regarding financial and political responsibility;
 - ◆ Reduce provincial downloading of functions and financial responsibility;
 - ◆ Reduce mismatch between functional responsibility and fiscal resources.

Why not health, education and welfare functions?

- The Task Force believes that health, education and welfare functions have substantial provincial public interest issues and are thus better performed by separate local or provincial authorities within an environment of good cooperation, coordination and communication with municipal governments.
- There was general agreement among participants at various Task Force consultations and among municipal officials that health, education and welfare functions are provincial responsibilities both in terms of delivery and in terms of financing, although many feel that local or municipal input and representation in health care and education delivery is desirable.

5. MUNICIPAL GOVERNANCE & MANAGEMENT

Proposed Directions For Renewal

Governance Principles

- **Municipal governments should govern according to fundamental principles of democratic governance.**

Management Principles

- **Municipal governments should manage their affairs according to fundamental principles of sound public administration.**

Incorporate Principles into Legislation

- **Fundamental principles regarding both democratic governance and sound public management should be incorporated into municipal legislation.**

Nature of Municipal Governance

- **Municipal governance should consist of the following two major governing bodies:**
 - ◆ 'Municipal District Councils'
 - ◆ 'Local Community Advisory Committees'(See Section 8 of this part of the report for explanation).

Municipal Elections

Modified Electoral Terms

- **Municipal elections should be conducted every three years.**
- **All elected municipal officials should stand for election at the same time (terms should not be staggered).**
- **Municipal elections should coincide with the elections of education boards and health boards.**
- **Elections should be based either on a ward or at-large system, or a combination of both depending on the number, types and geographic sizes of municipalities.**

Municipal Ombudsperson

Office of Municipal Ombudsperson

- **A 'Municipal Ombudsperson' office should be created.**

Reasons For Proposed Directions

Why should principles regarding democratic governance & public management be incorporated into municipal legislation?

- The Task Force believes municipal governments should govern according to fundamental principles of democratic governance, and manage according to fundamental principles of sound public administration.
- The incorporation of fundamental principles regarding governance and management in municipal legislation would help ensure elected and appointed municipal officials and residents and ratepayers are aware of these principles.

Why 3 year electoral terms?

- Three-year electoral terms provide the appropriate balance between length of time required by councils to deal with various matters, and the frequency for the public to choose councillors. Moreover, three-year electoral terms seem to have widespread acceptance and support and there is no indication that they are problematic.

Why the same electoral terms?

- The use of three-year electoral terms would eliminate the need for staggered electoral terms that are currently used in rural municipalities today. The Task Force does not believe that given the incumbency re-election factor that the issue of continuity of knowledge and decision-making between elections will be a problem.

Why the same timing of Municipal, Education, and Health elections?

- Holding of municipal, education, and health elections at the same time might ensure a much better voter turnout for all of them. If there are too many different election dates and too many different electoral boundaries voters are likely to become frustrated and abstain from voting. To minimize confusion and frustration, every technological means should be used to ease the ability of voters to cast a ballot anywhere within a given district for all three sets of elections.

Why these changes to municipal elections?

- The Task Force believes the above changes to municipal elections would help to address a number of problems evident in the system of municipal elections that were mentioned often during its public consultations including:
 - ◆ voter apathy and confusion;
 - ◆ low turnout in all types of local elections (school, health, municipal);
 - ◆ limited number of candidates.

Why a Municipal Ombudsperson?

- The Task Force believes the establishment of a Municipal Ombudsperson position would help to ensure that the principles of democratic governance and sound, ethical public administration are maintained.
- The Task Force heard in its public consultations that a "Municipal Ombudsperson" would help to ensure that residents are able to turn to a third party to examine and possibly mediate certain types of problems that emerge between ratepayers and their municipal governments.
- The joint submission of the SARM and RMAA also calls for the creation of a "Ratepayer Ombudsperson".
- An office of Municipal Ombudsperson would mediate disputes between ratepayers and local councils and thereby minimize the need to refer such disputes to either the courts or to the provincial government. Moreover, it could make recommendations on eliminating regulations, policies or practices that create problems both for municipalities, their residents and ratepayers.

6. MUNICIPAL LEGISLATION

Proposed Directions For Renewal

- | | |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consolidation,
Clarification &
Simplification | ➤ Municipal legislation should be consolidated, clarified and simplified. |
| Consolidation of
Municipal Acts | ➤ Municipal legislation should be consolidated as much as possible into a single Municipal Act for each major type of municipality: possibly one for municipalities in the Central and Southern part of the Province and one for municipalities in the Northern part of the province. |
| Consolidation of
Regulations | ➤ All regulations that impinge directly on municipal functions should be consolidated as much as possible into one Municipal Regulatory Code. |
| Clarification of
Legislation | ➤ Municipal legislation should contain and clearly and explicitly define the following: <ul style="list-style-type: none">◆ The purpose of municipal governments;◆ The status of municipal governments;◆ Principles regarding the powers, authority and autonomy of municipal governments; and◆ The functions for which municipal governments are responsible and the functions for which other governments or governing authorities are responsible. |
| Simplification of
Legislation | ➤ Municipal legislation should be rewritten in plain language to maximize clarity and minimize confusion for residents, ratepayers, elected and appointed officials, governments and the courts. |

Reasons For Proposed Directions

Why should municipal legislation be consolidated?

- The Task Force believes that municipal legislation should be consolidated as much as possible into a single Municipal Act to make it clearer, more concise and more readily understandable and useable by individuals and organizations both inside and outside the municipal sector.
- The Task Force envisages the possibility of two municipal acts: one for municipalities in the Central and Southern parts of the province; and one for municipalities in the Northern part of the province.
- The consolidation of municipal legislation is consistent with the Task Force's belief in the equality of municipalities in terms of purpose, status, powers and functions.
- Consolidation would alleviate current problems arising from differences and inconsistencies among the existing three core municipal acts regarding matters such as powers, duties, functions, governance and management.
- In recent years, the trend in municipal renewal across Canada has been to consolidate as much as possible the legislation governing municipal governments into a single municipal government act.

Why should municipal regulations be consolidated?

- The Task Force believes that all regulations that affect municipal governments should be consolidated as much as possible into one Municipal Regulatory Code. Regulations for various municipal functions and activities would form chapters of this code rather than separate regulations. This code would be in addition to regulatory codes that may exist for purposes other than municipal governance.
- The current number of statutes that relate to and affect municipal governments in the province is well over 100 creating the following problems:
 - ◆ Confusion regarding what legislation actually guides the powers, duties, responsibilities and operation of municipalities.
 - ◆ Instances of overlapping, conflicting and inconsistent jurisdiction;
 - ◆ Inconsistent wording and problems of harmonization among statutes.
- Many provinces have tried to make their core municipal statutes policy frameworks for municipal governments rather than regulatory frameworks by removing regulatory provisions from core legislation and placing them in related statutes and regulations. Certain provinces have also consolidated some or all of their related municipal statutes into one statute or code, or one statute for a particular municipal activity or function such as roads, safety, or emergency/protective services.

Why should municipal legislation be clarified & simplified?

- The Task Force believes the clarification and simplification of municipal legislation is essential to ensure the legislation is understandable and useable by residents, ratepayers, elected and appointed municipal officials, businesses and organizations and other governments.
- There is widespread agreement among the public and municipal officials that municipal legislation needs to be streamlined and simplified.
- Plain language, better organization and modern formatting have been or are in the process of being used by many jurisdictions to improve the clarity and ease of reading of municipal legislation.

7. MUNICIPAL FINANCES

Proposed Directions For Renewal

Adequate, Secure, Predictable and Appropriate Access to Financial Resources

- **Municipal governments should be provided with adequate, secure and predictable access to appropriate revenue bases in order to obtain the financial resources needed to perform their functions and fulfil their purposes.**

Negotiate Ways to Reduce Pressure on Property Tax Base

- **The provincial and municipal governments should negotiate ways to reduce pressures on the property tax base created by the reliance on it both for municipal and educational purposes.**

Negotiate Alternative Sources of Municipal Taxation

- **The provincial and municipal governments should negotiate the access that the municipal governments should have to various other revenue sources.**

Negotiate Tax-Sharing & Revenue-Sharing Arrangements

- **The provincial and municipal governments should negotiate tax-sharing and revenue-sharing arrangements.**

Enhanced Taxation Tools

- **Municipal governments should have extensive taxation tools and the power to:**
 - ◆ Establish a Base Tax
 - ◆ Establish Variable Mill Rates
 - ◆ Establish Efficient, Effective Tax Enforcement & Collection Systems
 - ◆ Establish Levies, Charges, User Fees

Enhanced Financial Management Powers

- **Municipal governments should not be unduly restricted by the provincial government in matters related to:**
 - ◆ Borrowing Levels
 - ◆ Operating Deficits

Reasons For Proposed Directions

Why do municipalities need adequate, predictable & secure access to financial resources?

- The Task Force believes municipal governments need adequate, predictable and secure access to appropriate fiscal resources to match both their functional and financial responsibilities in the fulfillment of their purpose.
- To that end, the Task Force believes the following principles regarding municipal finances should be enshrined in municipal legislation:
 - ◆ Reliance on municipally generated own source revenues rather than provincial grants and transfers;
 - ◆ Continued reliance on, and greater control of the property tax base;
 - ◆ Access to alternative sources of municipal taxation revenue;
 - ◆ Greater transparency in any revenue or tax sharing;
 - ◆ Longer term commitments of any provincial funding;
 - ◆ Enhanced municipal taxation tools; and
 - ◆ Enhanced municipal financial management powers.

Why the reliance on municipally generated own source revenues?

- The Task Force believes that as much as possible municipal finances should be derived from the municipal governments' own choices regarding the nature and level of taxation, levies, user fees and investments, rather than from the provincial government's choices regarding either these matters, or provincial grants and transfers.
- The Task Force believes municipal governments should be provided with the means whereby they, rather than the provincial government, determine how to raise the requisite revenues to perform their functions and fulfil their purposes.
- The City Mayors believe that financial independence is an important factor in achieving stability at the local level. They also believe that this is a long term goal that both the province and municipal governments should work towards not only by giving municipalities greater financial power and flexibility, but also by replacing provincial grants and transfers with independent and alternative sources of municipal revenue.

Why reduce pressure on property taxes?

- The Task Force believes that many of the problems related to municipal finances are the result of pressures on the property tax base both because it is the principal source of taxation revenue for municipalities and also because they must share that tax base with educational authorities.
- The pressures on the property tax system are evident in the views expressed by municipal and education officials who use it, as well as the current property tax-related events across the province.
- The Task Force believes the province and municipalities should negotiate ways to reduce existing pressures on the property tax base.

**Why explore
alternative sources
of taxation revenue?**

- The Task Force believes that the provincial and municipal governments should explore the merits of giving municipalities access to additional sources of taxation revenue similar to municipal governments in other jurisdictions. Such examples include:
 - ◆ Special Purpose Taxes (Alberta) – municipalities may levy special taxes for specific purposes and costs such as ambulance services, health care recruitment, fire protection, recreational services, etc.
 - ◆ Commercial Vehicle Licensing (BC) – municipalities may charge license fees for commercial vehicles within their borders.
 - ◆ Hotel Taxes (US) – some municipal governments in the United States charge hotel taxes as a means to cover the cost of tourism related services and use of municipal infrastructure.
- The Task Force does not necessarily advocate the use of any of the above sources of taxation revenues, but believes the provincial and municipal governments should examine the merits of such options.

**Why explore tax and
revenue sharing?**

- The Task Force believes there are potential opportunities both for tax-sharing and revenue-sharing between the provincial and municipal governments.
- Examples of some tax and revenue bases that provincial and municipal governments could consider sharing are:
 - ◆ Sales Taxes
 - ◆ Income Taxes
 - ◆ Fuel Taxes
 - ◆ Amusement Taxes (i.e., liquor, gaming)
- Many American states and a couple of Canadian provinces share some of these tax and revenue bases with municipal governments.

**Why should the
financial management
powers of municipalities
be enhanced?**

- Given the responsibility that municipal governments have for raising their own revenues, the Task Force believes they should not be unduly encumbered by provincial regulations regarding the use of their revenue sources or the management of their finances.
- Specific examples of enhanced powers that municipalities and municipal associations have requested include:
 - ◆ Greater access to tax tools such as variable mill rates and base taxes;
 - ◆ Greater autonomy in determining property sub-classes and tax exemptions;
 - ◆ Less restrictions on borrowing, operating deficits and use of capital reserves;
 - ◆ Greater authority in setting utility rates, service charges, user fees and levies;
 - ◆ More flexibility and power in tax enforcement and in recovering fees and fines.
- Many provinces including BC, Alberta, Manitoba and Nova Scotia have given their municipalities greater budgetary authority and less requirement for approvals regarding financial matters by establishing broad parameters for borrowing; operating deficits, use of reserves, and so on. Provincial approvals are required only if municipalities exceed these broad parameters.

8. MUNICIPAL STRUCTURES

➤ This section of the report focuses on directions for renewal to three key facets of municipal structures:

- 1. Number of Municipalities**
- 2. Size of Municipalities**
- 3. Types of Municipalities**

8.1 NUMBER OF MUNICIPALITIES

Proposed Directions

Reduction in Number of Municipalities

- There should be a "Major Consolidation" in the number of municipal units.
- The number of municipal units should be reduced from over 1000 to less than 125.

Reasons for Proposed Directions

Why reduce the number of municipalities?

- The Task Force believes the number of municipal units should be reduced because:
 - ◆ The current number of 1000 municipal units (i.e., 836 municipalities, 170 quasi-municipalities) is problematic for all of the reasons stated in the previous section of this report;
 - ◆ A reduced number of municipal units will be beneficial for all of the reasons stated in the previous section of this report.

Why a major reduction in the number of municipalities?

- The Task Force is recommending "Major Consolidation" because it believes that the other three consolidation options listed below would not produce the desired results in terms of better governance, management, planning and development, or service delivery. Those options include:
 - ◆ No Consolidation (1000 municipal units)
 - ◆ Minor Consolidation (300-600 municipalities)
 - ◆ Moderate Consolidation (125-300 municipalities)
 - ◆ Major Consolidation (less than 125 municipalities)

Parity With Other Provinces

- The Task Force is recommending "Major Consolidation" because:
 - ◆ Such a degree of consolidation would make the number of municipalities comparable to that in several provinces either with a comparable or smaller population (see below).
 - ◆ Such a degree of consolidation would make the number of municipalities in Saskatchewan comparable on a proportional basis to two of the neighbouring western provinces (i.e., Alberta and B.C.) whose population is 3 and 4 times the size of Saskatchewan's respectively.
 - ◆ Such a degree of consolidation would provide Saskatchewan with municipalities that have average populations comparable to most of the other provinces (5,000-26,000).

Range of Number of Municipalities in Canada									
PQ	SK	ON	AB	NF	MB	BC	NB	PEI	NS
1375	836	586	373	291	201	155	103	75	55
No Consolidation		Minor Consolidation			Moderate Consolidation		Major Consolidation		

Minimizing Problems & Maximizing Benefits

- Furthermore, "Major Consolidation" would do the following:
 - ◆ Minimize problems of fragmentation, diversity, incompatibilities, imbalances, inequity, and increased costs among municipalities.
 - ◆ Minimize operating and opportunity costs for residents and ratepayers, governments, business, and other organizations.
 - ◆ Maximize the capacities of municipal governments for governance, service delivery, and planning and development.
 - ◆ Maximize opportunities for better service delivery, planning and development.
- The Task Force believes and has heard that new types of district governments (or at least district planning, development and service authorities) need to be established in Saskatchewan in response to:
 - ◆ The emergence of larger, regional communities and economies; and
 - ◆ The emergence of regional governance authorities around existing municipal governments.
- The Task Force believes that without district or regional municipal governments, municipalities will become increasingly problematic, irrelevant, or marginalized as result of the regionalization occurring around them.
- The Task Force has heard of the potential merits of larger district governments and authorities in its consultations with and in submissions from individuals and organizations. These include:
 - ◆ More natural boundaries reflecting commercial and social interaction;
 - ◆ Better use and sharing of limited resources;
 - ◆ Greater capacity for service delivery and planning and development;
 - ◆ Better coordination and policy development between municipal governments and various other governments and authorities;
 - ◆ Elimination of problems and confusion associated with different purpose boundaries that presently exist among municipalities, health and education boards, economic development authorities, etc.

The need for consolidation in metropolitan regions.

- The need for consolidation in metropolitan regions is as great as it is in non-metropolitan regions. The reason for this is that inter-municipal problems (e.g., spillovers and coordination) that exist now will become even more significant in the future. Given the demographic trends of people moving to either the major metropolitan centres or the "satellite or bedroom communities" that surround them, both are likely to grow to the point where only the boundary line would stand between their respective residential and industrial sub-divisions.
- Given that possibility, it is necessary to ask the following questions:
 - ◆ Does it make sense to leave metropolitan centres and neighbouring "satellite or bedroom" communities as separate municipalities?
 - ◆ Is it prudent not to pursue consolidation in order to eliminate current and future inter-face problems and to foster effective and equitable planning and development within these metropolitan regions?
 - ◆ If consolidation of such neighbouring municipalities is not achieved, how effective will planning and development be in the future?
 - ◆ What will be the costs of correcting some major planning and development problems resulting from each municipality within the region pursuing its own planning and development strategies?
 - ◆ Will those municipalities have to be consolidated in the distant future as has happened in some metropolitan regions and is currently being considered for others, in various provinces?

8.2 SIZE OF MUNICIPALITIES

Proposed Directions

New Principles & Criteria for Incorporation

- The size of municipalities should be governed by a new set of incorporation principles and criteria rather than the ones that are now in place to ensure:

- ◆ Good Governance (accessible & accountable)
- ◆ Good Services (effective, efficient & equitable)
- ◆ Good Planning and Development (effective, efficient, equitable)

Key Principles

Balance in Number of Municipal, Economic and Social Districts

- Some of the key principles should include:

1. There should be a balance between the following in the province:

- ◆ The number of 'municipal districts'; and
- ◆ The number of regional 'economic districts' and 'social districts'.

Balance in Size of Municipal, Economic and Social Districts

2. There should also be a balance between the following:

- ◆ The geographic size of 'municipal districts'; and
- ◆ The geographic size of regional 'economic districts' and 'social districts'.

Key Criteria

Viability & Sustainability

- Some of the key criteria should include:

1. The primary criteria for the incorporation of any municipality should be 'viability & sustainability' as a social, economic and political unit over a substantial period of time. Accordingly, the creation of municipal units should focus squarely on the following matters:

- ◆ Economic Viability & Sustainability
- ◆ Social Viability & Sustainability
- ◆ Political Viability & Sustainability

Four Key Bases

2. More specifically, the measure of viability & sustainability should focus on four key bases:

- ◆ Economic Base
- ◆ Assessment Base
- ◆ Population Base
- ◆ Land Base

Uniformity & Standardization

3. In order to maximize equality and equity in the system, and to reduce the need for corrective inter-municipal equalization programs, every effort should be made to ensure a relatively high degree of uniformity or standardization in the size of the following for each municipality:

- ◆ Economic Base
- ◆ Assessment Base
- ◆ Population Base
- ◆ Land Base

Reasons for Proposed Directions

Why are new incorporation principles & criteria needed?

- The Task Force feels the current criteria suffers from the following problems:
 - ◆ Inappropriateness for ensuring the ongoing viability of municipalities;
 - ◆ Inappropriateness for clearly distinguishing what is "urban" and what is "rural" - particularly in light of blurring distinctions among various municipalities surrounding larger cities;
 - ◆ Confusion regarding the population base used to incorporate some urban municipalities such as resort villages - e.g., permanent residents, all residents, residents of voting age (electors), etc.
- The Task Force believes that maintaining the current criteria without the mandatory reversion or conversion of municipalities who no longer meet their criteria will continue to create problems of inequity among municipalities in terms of their: purpose, status, powers, functions and finances.
- The current criteria for municipal incorporation relies on minimum population and dwellings for urban and northern municipalities, with no criteria for rural municipalities. It has changed little since Saskatchewan's first municipal legislation was enacted in 1908.

Why these principles & criteria?

- The Task Force believes that the proposed incorporation principles and criteria would do the following:
 1. Establish a base level for municipal incorporation and status that corresponds to community, economic and social viability.
 2. Distinguish, if necessary, between different types of municipalities for functional and financial purposes.
 3. Minimize the inequities and imbalances in the capacities between and among municipalities.

What are some options for modifying incorporation criteria?

- Other provinces use higher population ranges, minimum assessment base or combinations of geographic size and population densities to define different types of municipalities, as shown below.

	Cities	Towns	Villages	Resort Villages	Rural Municipalities
Saskatchewan	• 5,000	• 500	• 100	• 100	• No minimum criteria
Alberta	• 10,000	• 1,000	• 300	• Summer Village type repealed in '94 (no new ones created)	• 1,000 • Called <u>Municipal Districts</u>
British Columbia	• 5,000	• Population between 2,500 -5,000	• Population under 2,500	• No minimum population criteria	• Area greater than 800 ha & density under 5 persons/ha • Called <u>District Municipalities</u>
Manitoba	• 7,500	• 1,000 residents and density of <u>at least</u> 400 residents/square km • Called <u>Urban Municipalities</u> previous towns & villages with populations under 1000 retained		N/A	• 1,000 residents and a population density less than 400 residents per square km
Northwest Territories	• \$200 million assessment	• \$50 million assessment	• \$10 million assessment	N/A	N/A
Ontario	• 15,000 if previously a village or town, 25,000 if a township	• Not less than 2,000	• Not less than 500	N/A	• Not less than 1,000 • Called <u>Townships</u>

8.3 TYPES OF MUNICIPALITIES

Proposed Directions

One or Two Types of Municipalities

- There should be either one or at most two major types of municipalities.
- In the case where there is only one type they might be referred to as 'Municipal Districts' (MDs).
- In the case of two types, one type might be referred to as 'Metropolitan Municipal Districts' (MMDs) and the other type might be referred to as 'Regional Municipal Districts' (RMDs).
 - ◆ 'Metropolitan Municipal Districts' (MMDs) would consist of the province's larger cities and the urban and rural communities in the surrounding area.
 - ◆ 'Regional Municipal Districts' (RMDs) would consist of all rural and urban communities within a given region outside the MMD's.

Two Key Features

Integrated

- All such 'Municipal Districts' (MMDs and RMDs) would have two distinguishing characteristics:

1. Both 'Metropolitan Municipal Districts' and 'Regional Municipal Districts' should consist of neighbouring urban and rural municipalities.

- ◆ All existing rural and urban municipalities would be dissolved and consolidated within the 'Municipal District'.

One-Tier

2. Both 'Metropolitan' and 'Regional' Municipal Districts should be 'One-tier', rather than 'Two-tier'.

- ◆ The "One-tier" Municipal Districts would consist of the following:
 - A single 'Municipal Government' for the entire district.
 - One or more 'Local Community Advisory Committee' for each community.

Local Community Advisory Committees

- 'Local Community Advisory Committees' could take one of two forms.

- ◆ Single multi-function 'Local Community Advisory Committee'
- ◆ Multiple single-function 'Local Community Advisory Committees'
 - Local Transportation Advisory Committee
 - Local Business Advisory Committee
 - Local Recreation & Culture Advisory Committee



Reasons for Proposed Directions

Why two types of municipal districts?

- Fully integrated regional municipal districts that encompass both rural and urban municipalities and that correspond to current and emerging "economic districts" and "social districts" will have the following beneficial effects:
 - ◆ It will result in more integrated governance, service provision, and planning and development;
 - ◆ It will reduce the incidence of inter-municipal spillovers as all communities within a region will be governed by one government;
 - ◆ It will also minimize inter-municipal imbalances and inequities within a region as member communities would share resources, costs and benefits. In other words, the costs and benefits would be internalized within a single municipality.

Why not consolidate rural and urban municipalities separately?

- The consolidation of either rural municipalities only with rural municipalities and urban municipalities only with urban municipalities would make it very difficult, and in some cases impossible, to establish municipalities that are viable and sustainable. It would also make it very difficult to establish municipalities that would maximize the benefits of consolidation and minimize the costs and negative effects of consolidation.

Why no separated municipalities within the regional municipal districts?

- The separation and segregation of any existing community or municipality from the proposed regional municipal districts would not be desirable because:
 - ◆ It would make it more difficult to create economically and socially viable, sustainable and standardized municipalities.
 - ◆ It would perpetuate problems of interface, imbalances, inequities, inter-municipal spillovers, and increased operating and opportunity costs between neighbouring municipalities.

Why 'One-tier' rather than 'Two-tier'?

- The one-tier system is less complicated than the two-tier system both for those operating it and for residents, ratepayers, and voters.
 - ◆ It is easier to operate and facilitates governance, management, planning development, and service delivery.
 - ◆ It has a greater degree of acceptance and support among a majority of those who participated in the Task Force's consultation process.
 - ◆ There is a shared belief that the one-tier system is likely to be more effective and efficient than a two-tier system. The extent to which it is more effective and efficient, of course, is contingent on a wide array of factors.
- A two tier system should be considered only in two cases:
 - ◆ First, if the one-tier system proves inadequate in dealing with inter-municipal spillovers and coordination.
 - ◆ Second, if the political will is not there to engage in a "Major Consolidation" of the existing municipal system.
- The greater the degree of consolidation of the existing system, the less is the need for a "Two-tier" system of municipal government in which the upper or regional government/authority would be responsible for functions that must be performed on a regional basis. The opposite is also true—the less the degree of consolidation, the greater the need for a "Two-tier" system in which the upper or regional government/authority would be responsible for functions that must be performed on a regional basis.

Proposed Model: Single-Tier District Municipal Government

Governing Entities

- A single-tier district municipal government system in Saskatchewan could consist of the following governing entities:
 - ◆ District Municipal Government;
 - ◆ Local Community, Transportation & Business Councils;
 - ◆ Other Special Purpose Bodies created by the district government.

District Government Functions

- The District Municipal Government would be a fully incorporated municipal government responsible for all district municipal matters.
- In addition to various functions that are currently performed by local municipal governments, the district governments would be responsible for some of the functions that are currently performed on a regional basis by various special purpose bodies such as, for example, economic development authorities and regional parks and regional library boards, etc.

Local Councils

- **Local Community Council:**
 - ◆ "Local Community Councils" would be recognized as local authorities, but they would not be incorporated as a municipal government.
 - ◆ They would be responsible for providing an effective liaison between the district government and members of their respective communities.
 - ◆ In effect, the "Local Community Councils" would operate much in the same way as "Organized Hamlet Boards" in rural municipalities or "Community Associations" in various neighbourhoods of larger cities. They would have advocacy, advisory, and program delivery functions.
 - ◆ Existing municipal governments could be converted to community councils.
- **Local Transportation Council**
 - ◆ "Local Transportation Councils" would be responsible for providing an effective liaison between the district government and members of their respective communities on transportation matters.
 - ◆ In effect, they would operate in much the same way as RM Councils operate today, except that they would not have corporate municipal status, and they would not have the authority to commission any road building or maintenance without the express authority of the District Municipal Government.
- **Local Business Council**
 - ◆ The Local Business Council would be responsible for providing an effective liaison between the district government and members of their respective communities on business matters.
 - ◆ In effect, the "Local Business Council" would operate in much the same way as "Business Improvement Districts" operate today.
 - ◆ They could be authorized to cooperate with the District Municipal government on special projects that would contribute to improved business activity within a designated community and impose levies on their members through a bylaw of the District Municipal Government.

Council Composition & Representation

- Representation on the district municipal council could be equal, elected representation by wards of the former municipalities, and/or include weighted representation of areas to ensure their interests are not overlooked.
- Council members could be elected on an 'at large' or 'ward' basis.
- Mayors could continue to be elected on an 'at large' basis.
- Local Community, Transportation and Business Council members could be elected at public meetings of local ratepayers or they could be appointed by the District Municipal Government Council.

Examples of Single Tier Government Models

Nova Scotia

- Single-tier regional municipal governments in Canada exist in both Nova Scotia and Ontario, and in the United States in the form of counties.
- **Nova Scotia**
 - ◆ Nova Scotia created three regional municipalities in the mid-1990's: Halifax, Queen's & Cape Breton.
 - ◆ These include both metropolitan regional governments (Halifax) and rural or non-metropolitan regional governments (Cape Breton, Queen's).
 - ◆ The regional municipalities replaced all existing municipal government units in the region and dissolved all agencies, boards and commissions established by the former municipal governments in the region.
 - ◆ The regional municipality is responsible for all local services in the region – infrastructure, utilities, protective services & planning.
 - ◆ Regional councils consist of at least three members, their precise size is established by Nova Scotia's Municipal Board.
 - ◆ Current sizes of councils are Halifax – 23, Cape Breton – 21, Queen's – 9.
 - ◆ Mayors are elected at large, councillors are elected by ward.
 - ◆ Councils can establish advisory community committees for purposes of increasing public participation and monitoring local service provision.

Ontario

- **Ontario**
 - ◆ Ontario is considering establishing one-tier regional governments in four metropolitan regions: Ottawa-Carlton, Hamilton-Wentworth, Sudbury and Haldimand-Norfolk.
 - ◆ The proposed governments would be given the status/name of "Cities".
 - ◆ The new regional municipalities would replace all single and two tier municipalities and agencies, boards and commissions within the region.
 - ◆ The regional governments would be responsible for providing and contracting for all municipal functions and services. In some scenarios, the regional councils are also to be designated as the Health and Library Boards.
 - ◆ Mayors elected at large, councillors elected by ward (10-19 total council size).
 - ◆ In some scenarios, some wards have two representatives or two votes for the first two terms to ensure representation of rural interests.
 - ◆ Some models (e.g., Ottawa) propose standing committees to meet publicly and Satellite Offices to ensure a visible presence and improve accessibility.
 - ◆ There are provisions for advisory/volunteer committees and facility boards with no decision-making powers, involving ward councillors and citizens.

U.S. County System

- **U.S. County System**
 - ◆ American counties are generally single tier regional municipalities that can encompass rural areas, rural and suburban areas and rural and urban areas. Few counties are two-tier municipalities.
 - ◆ Other municipalities such as towns, villages and cities, exist alongside counties.
 - ◆ Many counties began as administrative arms of state governments; administering functions such as: assessment, policing, judicial functions, welfare, state roads, etc.
 - ◆ Counties now perform a variety of municipal functions as a result of local citizen demand and arrangements with local municipalities including: water, sewer and waste management, planning, economic development, parks and recreation, etc.
 - ◆ County functions are also influenced by, and relied upon to administer federal programs in areas such as: housing, roads, pollution control, public health,
 - ◆ Representatives can be elected either at large or by ward.
 - ◆ Key administrative or departmental positions are also elected including: treasurer, auditor, assessor, sheriff/police chief, clerk, coroner, etc.
 - ◆ Other governing authorities, such as school boards and public utilities that operate on a regional basis, do so independently of county governments.

Alternative Models to One Tier Municipal Districts

1. Two-Tier Municipal Districts

- A two-tier municipal government system in Saskatchewan could consist of the following governing entities:
 - ◆ District Municipal Government
 - ◆ Local Municipal Government

District Government Functions

- **District Municipal Government**
 - ◆ The district municipal government would be responsible for governance and management of matters that are best dealt with on a regional basis.
 - ◆ Generally in a two tier-system the district governments tend to be responsible for matters that must be dealt with on a region-wide basis to ensure effectiveness, efficiency, or equity. Invariably this includes matters such as transportation, water, sewer, waster disposal, and protective services (policing, fire, emergency, etc.).
 - ◆ In addition, the district governments should perform some of the functions that are currently performed on a regional basis by various special purpose bodies such as, for example, economic development authorities and regional parks and regional library boards, etc.
 - ◆ District municipal governments could also be given the authority to provide any local government functions upon request of the local municipality or upon plebiscite or referendum of any part of, or the entire region.
 - ◆ The precise list of functions to be performed by the district municipal government could be prescribed by legislation or negotiated between the member municipalities.

Local Government Functions

- **Local Municipal Government**
 - ◆ Generally, in a two tier system, existing local municipal governments tend to be responsible for governance and management of local matters.
 - ◆ The precise arrangement of what would constitute regional versus local matters under such a system of governance could be prescribed by legislation or negotiated between member municipalities.

Finances

- District municipal governments could be financed through a combination of any of the following: imposing levies on member municipalities, access to own sources of taxation, user fees, and provincial grants.

Composition & Representation

- Representation on the district municipal government council could be directly or indirectly elected by residents of the member municipalities, and/or include weighted representation of certain areas to ensure their interests are not overlooked.
- Mayors, heads and executives of the district councils could be elected at large by the entire district or elected from among the district council representatives.
- Representatives on local government councils would be elected by residents of their respective communities in the same manner as they were before.

Examples of Two Tier Government Models

- Two-tier regional government systems currently exist in Canada in the provinces of Ontario and Quebec.

Ontario

➤ Ontario

- ◆ Ontario has had a two-tier system of regional municipal government for many years, consisting of an "upper" tier and "lower" tier of municipalities.
- ◆ Lower Tier municipalities include cities, towns, villages and townships.
- ◆ Upper Tier municipalities are called regional municipalities, counties and district municipalities - and can include any number of lower tier municipalities.
- ◆ In some instances, the Ontario government consolidated some lower tier municipalities when it created regional municipalities, in other instances all lower tier municipalities remained intact within the upper tier municipality.
- ◆ In recent years, the Ontario government has been dissolving both upper and lower tier municipalities and consolidating them into one-tier regional municipal governments (see single tier examples above).
- ◆ Upper tier municipalities have sole jurisdiction and control over: regional roads, water supply/distribution, sewage, fire coordination and emergency planning.
- ◆ Upper tier municipalities have the ability to provide any lower tier municipal service upon request or transfer back a lower tier municipal service on request.
- ◆ Upper tier can not levy property taxes, but can requisition and charge lower tier municipalities for services to that municipality, charge user fees, receive grants.
- ◆ Upper tier councils are composed of the mayors from all the lower tier municipalities within the region plus councillors either directly elected by the public from wards representing lower tier municipalities, or indirectly from lower tier councils.
- ◆ Head of regional councils are elected by the representatives on the council.

Quebec

➤ Quebec:

- ◆ Quebec has three distinct types of two-tier regional governments for urban, rural and northern regions.
- ◆ Urban Communities are metropolitan regional governments found around major cities (Montreal, Quebec), that include cities, towns, and rural municipalities.
- ◆ Regional County Municipalities are non-metropolitan regional governments that include smaller cities, towns, rural municipalities & unincorporated areas.
- ◆ Kativik Regional Government is a northern regional government that includes a number of northern villages and the unincorporated area north of the 55th parallel.
- ◆ The creation of these regional municipalities did not result in any consolidation of existing municipalities. Recently, however, the provincial government has initiated a major amalgamation initiative aimed at consolidating over 400 local (i.e. city, town, rural) municipalities that exist within this two-tier regional system.
- ◆ Urban Communities and Regional County municipalities were established primarily to coordinate land use planning and development and coordinate and/or provide regional services upon request of the local municipalities within the region.
- ◆ The Kativik Regional Government also provides regional administration of provincial programs including housing, manpower training, building and construction standards as well as policing, transportation and the local administration of unincorporated areas.
- ◆ The regional municipal councils are comprised of mayors and councillors of the local municipalities in the region (the precise number is based on population).
- ◆ The Chair/Head and members of the Executive of the regional councils are chosen from among the members of the regional council.
- ◆ Regional municipalities cannot levy taxes, and are funded by contributions of member municipalities, transfers from the province as well as fees for services.

2. District Planning, Development & Service Authorities

- The Task Force believes that in the absence of district municipal governments, a system of strong district planning, development, and service authorities is the next best option for ensuring coordinated, effective, efficient and equitable planning, development and service delivery in the province in the future.
- The Task Force believes district planning, development & service authorities would formalize the ad hoc arrangements which currently exist or have the potential to exist between and among municipalities to provide or coordinate municipal services and functions within a specific area.
- There are numerous examples throughout the Province where individual municipalities are working together to deliver services jointly or, in some cases, multilaterally on a regional level. The Task Force believes the efficiency, effectiveness and financing of these arrangements could be improved if they are province-wide and protected by statute.

Number of District Authorities

- The Task Force believes that for district planning, development and service authorities to be effective, efficient, equitable, and accountable it is best to have only one such authority for the entire region.
- Increasing the number of such authorities in any district would create problems of coordination among such authorities and confusion for residents and ratepayers. If more than one such authority is established in any area, the need for establishing the additional one(s) must be demonstrable and the reasons sound.

Functions of District Authorities

- District authorities would be multi-function authorities rather than single function or single purpose authorities.
- They would be responsible for major planning, development and regional functions within their boundaries. This could include economic, community and land-use planning and development, and the provision of various municipal services that are best provided on a regional basis, such as policing, fire and emergency services, water and waste management, etc.
- In addition, the district authorities should perform some of the functions that are currently performed on a regional basis by various special purpose bodies such as economic development authorities and regional parks & library boards.
- The precise list of functions to be performed by district authorities could either be prescribed by the legislation or it could be negotiated between member municipalities.

Composition & Representation

- The Board of Directors for the district authorities could either be appointed by the member municipalities, elected, or a combination of appointed and elected.

Finances

- These district authorities could either be financed through a combination of any of the following: imposing levies on member municipalities, access to own sources of taxation, user fees, and provincial grants.

**Examples of district
planning, development
& service authorities**

British Columbia

➤ **British Columbia's Regional Districts**

- ◆ British Columbia's Regional Districts were superimposed by the province on all existing municipalities and unincorporated areas in the 1960's.
- ◆ The establishment of Regional Districts did not result in any consolidation. Regional Districts encompass all the municipalities and unincorporated areas within a given region.
- ◆ Regional District boards are mandated to provide many functions which can vary from district to district including:
 - Regional Services – growth strategies (economic development), planning, social development;
 - Local Services – water, sewer, waste management, parks, fire services;
 - Extended Services – building inspection, licensing and regulation.
- ◆ Regional Districts can acquire functions and services by:
 - Ministerial regulation;
 - Bylaw of the regional district; or
 - Referendum of all or part of the regional district.
- ◆ They cannot levy or collect property taxes, but can charge frontage and user fees.
- ◆ Directors are appointed by the councils of the municipalities in the region and are elected from unincorporated areas (number of directors from both incorporated and unincorporated areas are based on population).
- ◆ Directors can have more than one vote, depending on a municipality's population.
- ◆ Regional Districts can establish community committees in unincorporated areas for the purposes of electing representatives and advising on services/activities.

Alberta

➤ **Alberta's Regional Services Commissions**

- ◆ Alberta introduced regional services commissions in 1981 for the purposes of greater inter-municipal cooperation and authority in delivering services.
- ◆ Regional Services Commissions are voluntary corporations of member municipalities.
- ◆ They can be established for any municipal function or service, and for more than one function or service (multi-function, multi-purpose).
- ◆ The majority of regional services commissions have been established for single-function delivery such as: water supply, sewer and waste management.
- ◆ Once established, they have the authority to pass bylaws, provide services, expropriate land and levy service charges and user fees.
- ◆ Commissions are governed by a board of directors composed of appointees from participating municipalities. Generally each member municipality has equal representation.
- ◆ In 1994, they, along with municipal governments, were given natural person powers to enhance their ability and autonomy to provide and deliver services.

V. APPROACHES FOR RENEWAL

Proposed Directions For Renewal

Key Principles:

- The renewal of the municipal system should be guided by five fundamental principles:

Positive & Proactive Leadership

(a) Positive & Proactive Leadership

The process should be led and directed in a positive and proactive manner by the provincial and municipal governments.

Transparency

(b) Transparency

The process should be highly transparent. It should be designed in a way that everyone understands the nature of the decisions that must be made, the decision-making sites, who the decision-makers are, and ultimately, the nature of the decisions made.

Openness

(c) Openness

The process should be very open. Everyone should have an opportunity to express views either in writing or orally on any proposed renewal.

Advance Notice

(d) Advance Notice

The process should include advance notice of any significant initiative for renewal.

Adequate Consultations

(e) Adequate Consultations

The process should include adequate consultations of any significant initiative for renewal.

1. Approach for Structural Renewal

'Directed Consultative Approach' for Structural Renewal

- To achieve structural renewal the provincial government should adopt a 'Directed Consultative Approach'.

2. Approach for Renewal of Other Elements of the System

'Negotiated Approach' for Renewal to Other Elements of the System

- The government should adopt a 'Negotiated Approach' for renewing other key elements of the municipal system. This includes:
 - ◆ Jurisdictional elements
 - ◆ Functional elements
 - ◆ Financial elements
 - ◆ Governance & Management elements
 - ◆ Statutory elements
- In renewing any of the elements listed above, negotiations should be undertaken between the provincial government and the municipal governments operating within the restructured municipal system.
- To facilitate such negotiations the 'Provincial-Municipal Roundtable' should be institutionalized to serve as an authoritative forum for negotiating and producing provincial-municipal agreements on matters of mutual interest or importance.
- The agreements produced through such negotiations would constitute an important basis on which various:
 - ◆ Municipal legislation would be drafted; and
 - ◆ Provincial-municipal relations would be conducted.

**Why a 'Directed
Consultative Approach'
for structural renewal?**

Reasons For Proposed Directions

1. Reasons for 'Directed Consultative Approach' on Structural Renewal

- The Task Force is proposing a 'Directed Consultative Approach' managed by the provincial government to achieve structural renewal because it is likely to result in the most optimal and timely consolidation within the municipal sector.
- Without some direction on the part of the provincial government combined with consultations, the consolidation initiative would flounder.
- Two messages that came through loud and clear from those who were genuinely interested in achieving structural renewal were:
 1. The provincial government must perform an important and delicate directing role, and
 2. There must be consultations.
- In other words what is being sought is: clear and positive direction from the provincial government, and clear and positive reaction from the public through a sound consultation process.

Limitations of the Voluntary Approach for Structural Renewal

**Why not a voluntary
approach for
structural renewal?**

- There are many people in the province who favour what is generally referred to as a 'voluntary approach' to structural renewal. Those who endorse such an approach suggest that individual municipal councils and their ratepayers can and should make decisions on any structural renewal.
- Unfortunately, although ideal in theory, the voluntary approach has one major limitation in practice—generally, it does not lead to much, if any, consolidation.
- This has certainly been the case in Saskatchewan as well as in most other jurisdictions. The history of municipal governance in this province proves that little consolidation will occur on a purely voluntary basis. In the nine decades since the municipal system was first established, there have been very few consolidations of municipalities on a voluntary basis. Indeed, there have been few consolidations either on a voluntary basis or any other basis.
- Legislation and provincial programs enabling greater voluntary consolidation and inter-municipal cooperation has included the following:
 - ◆ The current provisions in the three core municipal acts that allow for voluntary conversion, reversion and dissolution.
 - ◆ The Municipal Restructuring Assistance Program that provided grants to support voluntary restructuring initiated by municipalities. The program was discontinued in 1999 with few municipalities taking advantage of it.
 - ◆ The *Municipal Unit and County Act* enacted in 1962 that allowed for the voluntary creation of larger municipal units and counties having common boundaries with education, health and other authorities. The Act was repealed in 1983 after twenty years of little or no uptake.
 - ◆ The proposed *Service Districts Act* introduced in 1996 to permit municipalities to establish joint service boards over larger geographic areas on a voluntary basis. The proposed Act was withdrawn by the provincial government following strong opposition from the municipal associations.
- The above suggests either that consolidation has simply not been required, or that in cases where it has been required municipal councils, their ratepayers, and provincial governments were not willing to do it. The Task Force is convinced that it was more a case of lack of willingness than lack of need.

- The Task Force shares the widespread belief that it is unlikely that by using a voluntary approach individual municipal governments and their ratepayers could reach agreement on the nature and scope of consolidation in their area. The disagreement would not exist just because there are some who are opposed to any consolidation in principle or believe that their municipality should not be part of any consolidation initiative. Disagreements would also exist among those who believe that consolidation is desirable or necessary. After all, it is highly unlikely that they could agree on the number and types of municipalities that should be consolidated within a given region.
- The reason for this is that invariably, everyone has different ideas regarding which municipalities make logical groupings for purposes of consolidation. Such differences in ideas are not merely rooted in self-interest, in many cases they are rooted in ideas regarding the best grouping of municipalities for the public interest. Regardless of whether such ideas are rooted in self-interest or the public interest, unfortunately they not only make consolidation of municipalities difficult, but in many cases they render it virtually impossible.
- In short, it is highly unlikely that by using a voluntary approach it would be possible to get agreement among neighbouring municipalities on the precise boundaries for new and relatively larger municipal districts.
- The Task Force asks everyone who favours consolidation to consider the following question:
 - ◆ What is the likelihood of major consolidation occurring in our lifetime, if the provincial government were to leave it entirely to the will of individual municipal councils to determine the appropriate nature, scope and timing of consolidation?

Limitations of a "Provincial Incentives" Approach for Structural Renewal

Why not provincial incentives for structural renewal?

Insufficient Resources

Low Prospects For Optimal Degree and Optimal Nature of Consolidation

Limited Financial Resources Should be Used for Planning & Development

- Many have suggested that a voluntary approach for structural renewal would work if the provincial government provided sufficient financial incentives for municipalities willing to consolidate.
- Unfortunately, this is a potentially problematic approach for two major reasons:
 - ◆ First, it is doubtful that, given all the important demands for scarce financial resources, the provincial government could afford to provide sufficient financial incentives that would encourage municipalities to consolidate.
 - ◆ Second, even if the provincial government were to provide the financial incentives, it is doubtful that the optimal type and degree of consolidation would occur without the provincial government giving considerable 'direction' on the nature and scope of consolidation to municipalities. Such direction would have to be given by making such incentives highly conditional either regarding the minimum number of municipalities that should consolidate or the precise boundaries for larger municipal districts.
 - ◆ The Task Force believes that if the provincial government has financial resources that would assist municipal governments, rather than using them merely to entice existing municipalities to consolidate it should make them available to foster planning and development within a consolidated municipal system. To do otherwise could result in the sub-optimal use of scarce and valuable resources.

Why not a 'Negotiated Approach' for structural renewal?

Prospect of Reaching Agreement is not High

Difficulties in Identifying Legitimate Negotiators

Limitations of a 'Negotiated Approach' for Structural Renewal

- Although a 'Negotiated Approach' for structural renewal would be ideal, it also has some serious limitations.
- The major limitation to the negotiated approach is essentially the same as the limitations to the other approaches already discussed above. There is a widespread belief that it is unlikely that negotiations between the provincial government and either individual municipal councils or municipal associations themselves would result in agreement on a consolidated municipal system.
- Furthermore, there are some difficult questions related to a negotiated approach for structural renewal.
 - ◆ The first question is who should be involved in negotiations on consolidation?
 - ◆ Should the provincial government negotiate with individual municipal councils?
 - ◆ How feasible is it for the provincial government to negotiate with 1000 municipal units (i.e., 836 municipalities and 170 quasi-municipalities)?
 - ◆ Should the provincial government negotiate with the major associations of municipal officials?
 - ◆ Are the municipal associations in a position to undertake such negotiations on behalf of their members?
 - ◆ More importantly, however, are municipal associations and their members the only ones with a legitimate stake and say in the current and future structure of the municipal system? Or are there others with a legitimate stake and say that should also be involved in any negotiations on consolidation?

Why a 'Negotiated Approach' on renewal for other elements of the municipal system?

2. Reasons for 'Negotiated Approach' on Other Renewal

- The Task Force is proposing a 'Negotiated Approach' in renewing other elements of the municipal system because it believes that in a consolidated municipal system, the provincial and municipal governments should adopt negotiations as their principal means for dealing with issues of mutual interest and importance.
- Here the Task Force envisions the same type of negotiating relationship that has traditionally existed between the federal and provincial governments and to some extent the provincial and municipal governments.
- The major difference between past and future provincial-municipal negotiations would be that the municipalities would have a much stronger hand at the negotiating table based on the directions outlined in this report.
- The Task Force envisions the use of the "Provincial-Municipal Roundtable" as the major site for multilateral provincial-municipal negotiations on issues that affect all municipalities.
- Moreover, the Task Force envisions the use of bilateral provincial-municipal negotiations and agreements to deal with issues that affect only some municipalities.
- Regardless of whether they occur on a multilateral or bilateral basis, the Task Force envisions powerful municipal and provincial governments negotiating as partners involved in a shared mission to foster development and to further the public interest.
- The Task Force believes that only by establishing an optimal number of municipalities and municipal governments will it be possible for provincial and municipal governments to undertake the negotiations for agreements needed in fostering development and furthering the public interest in Saskatchewan in the 21st century.

VI. REQUIREMENTS FOR RENEWAL

Importance

- In considering and undertaking renewal of the municipal system it is important to consider both of the following:
 - ◆ The requirements to “achieve” renewal
 - ◆ The requirements for “successful” renewal.

What is required to achieve renewal?

1. Requirements To “Achieve” Renewal

- There are at least six major requirements to “achieve renewal”.

1.1 Renewal Must Become a Priority

Priority

- First, renewal must become a priority. It must become a priority for governmental and non-governmental actors both inside and outside the municipal sector.
- At the very least it must become a priority for provincial and municipal governments.

1.2 Renewal Requires a Focus on the Public Interest

Public Interest

- Second, renewal will require all stakeholders and members of the public to think about new ways to govern and manage for the public interest. The public interest must be kept front and centre; personal, parochial and partisan interests must not become obstacles to renewal.

1.3. Renewal Requires Bold Initiatives and Bold Compromises

Initiative & Compromise

- Third, renewal requires bold initiatives and compromises on the part of all stakeholders.
- Bold initiatives and bold compromises are absolutely essential to achieve the type of renewal that many want and Saskatchewan’s local, regional, and provincial communities and economies need.

1.4 Renewal Requires Understanding of Importance of Municipal Government

Understanding of the Importance of Municipal Government

- Fourth, renewal requires an understanding of the importance of municipal governments.
- Municipal governments are important for more than the delivery of a few basic municipal services (roads, water, sewer, etc). Municipal governments are equally, if not more important, in fostering and facilitating community and economic development in their communities. Municipal governments share this responsibility with other orders of government as well as various business and non-business societal actors. This is true regardless of any debates regarding the precise role of governments in such matters.

*Understanding of
Operation of Municipal
Government*

1.5 Renewal Requires an Understanding of the Operational Context of Municipal Government

- Fifth, renewal also requires an understanding that municipal governments operate in an economic and social context, not a vacuum
- Today municipal governments operate in an economic and social context that is substantially different than when the municipal system was first established. The size of the economic and social communities are significantly different today than they have been in the past, and they will likely become increasingly more different in the future.
- Such an understanding leads to a better appreciation not only regarding the need for renewal, but also for the nature of renewal.

Involvement of the Public

1.6 Renewal Requires Involvement by Members of the General Public

- Sixth, renewal also requires active involvement by members of the public. The renewal of the municipal system is less likely to occur without their involvement. Their involvement is essential to ensure their needs and preferences influence the directions of renewal.
- This is not an issue just between provincial and municipal governments. Everyone has a stake.

***What is required for
successful renewal?***

2. Requirements For “Successful” Renewal

- There are at least six major requirements for “successful” renewal.

*Renewal to all Elements of
the System*

2.1 Successful Renewal Requires Change to all Key Elements of the System

- First, successful renewal requires change to all key elements of the municipal system. This includes changes to the:
 - ◆ Formal Jurisdictional Authority & Autonomy of municipalities.
 - ◆ Functions of municipalities
 - ◆ Finances of municipalities
 - ◆ Forms of municipalities (i.e., number, size and types)
- Substantial change to any one of these elements without changes to the others, is not likely to lead to a successful renewal initiative.
- It is not feasible to undertake major renewal in jurisdictional, functional or financial matters without major renewal in the forms of municipalities.

*Commitment of Municipal
Officials*

2.2. Successful Renewal Requires the Continued Commitment of Municipal Officials

- Second, renewal will require the continued commitment of elected and administrative municipal officials. A renewed system might lead to changes in the roles of some officials, but not in the need for their active involvement in ensuring good governance, management, planning and development for their communities.

2.3 Successful Renewal Requires Appropriate Policies and Programs

Appropriate Policies & Programs

- Third, to ensure that renewal is successful it is important, indeed imperative, that the policy and program frameworks of the provincial and federal governments foster and facilitate such development.

2.4 Successful Renewal Requires Renewal of Local Government Sector

Renewal of Local Government Sector

- Fourth, successful renewal in the municipal sector requires renewal in the local government sector:
 - ◆ Parts of the local government sector must be integrated into the municipal system;
 - ◆ Parts of the local government sector must be better aligned with the municipal sector; and
 - ◆ Parts of the local government sector must be integrated into each other.

2.5 Successful Renewal Requires Renewal of Provincial Government Sector

Renewal of Provincial Government Sector

- Fifth, to ensure that renewal in the municipal sector is successful requires renewal in the provincial government sector. This is particularly important in those elements of the provincial government sector that have a direct and significant effect on the municipal sector. This includes those elements that deal with key matters such as economic development, highways, and the environment.

2.6 Successful Renewal Requires Effective Leadership

Leadership

- Sixth, successful renewal requires effective leadership. Such leadership must come from several places including the provincial legislators and administrators, the municipal councillors and administrators, members of the business and non-profit sectors, members of unions, and other influential members of various communities. Indeed, it requires leadership on the part of every resident and ratepayer in this province.
- Everyone must ask the following questions:
 - ◆ What can I do to ensure that the municipal system is renewed in an appropriate and effective manner?
 - ◆ What can I do to ensure that a renewed municipal system will be a successful municipal system?

VII. RESPONSES TO INTERIM REPORT

1. Written Submissions

- Individuals and organizations are encouraged to submit written briefs in response to the Interim Report.

2. Presentation of Written Submissions

- From March 27, 2000 to April 14, 2000, the Task Force will organize a series of "Hearings" in various centres around the province to facilitate the presentation of written briefs by interested individuals and groups. The dates, times and places are listed on the following page.

3. Purpose of Hearings

- The "Hearings" are intended to provide interested individuals and groups with an opportunity to explain their written brief to the Task Force and to answer any questions that the Task Force may have regarding the content of their brief.

4. Notification of Intent to Present at Hearings

- Any individual, group, or organization who wishes to present a written brief at any of the "Hearings", must indicate their intent to do so by contacting the Task Force Office on or prior to March 24, 2000.

- Only those who have indicated their intention to present a brief by March 24, 2000 will be invited to do so.

5. Submission of Briefs For Hearings

- Copies of briefs to be presented during the "Hearings" must be made available to the Task Force at least 3 days prior to the date on which the brief is to be presented.

6. Deadline for Briefs NOT Presented at Hearings

- The deadline for submissions of written briefs that **are not** being presented during the "Hearings" is April 28, 2000.

7. Other Background Materials Available From the Task Force

- In preparing their briefs, individuals and organizations might find the following documents useful. These can be obtained either from the Task Force's web-site or office:

- ◆ The "Discussion Paper"
- ◆ The "Issues and Options Workbook"
- ◆ The "Visions and Views from Community Forums"
- ◆ The "Interim Report"

8. How Can I Contact the Task Force?

- If you have questions regarding any events or if you wish to submit any material, the Task Force members and staff can be contacted by any of the following means.

**Mail
or In person:** Task Force on Municipal Legislative Renewal
Task Force Office
701 CN Tower
Saskatoon, Saskatchewan
S7K 1J5

Phone: 306-933-7051
Fax: 306-933-7103
E-mail: tf.office@sk.sympatico.ca
Web site: www.communilink.sk.ca/municipal_task_force

**9. Schedule of Task
Force Hearings
on Interim Report**

Date	Community	Time	Place
March 27, 2000	Outlook	1:00-3:00 pm	Heritage Centre
March 27, 2000	Kindersley	6:00-9:00 pm	Kindersley Inn
March 28, 2000	Maidstone	1:00-3:00 pm	United Church CE Wing
March 28, 2000	North Battleford	6:00-9:00 pm	Public Library
March 29, 2000	Shaunavon	1:00-3:00 pm	Shawnee Hall
March 29, 2000	Swift Current	6:00-9:00 pm	Imperial 400 Motel
March 30, 2000	Assiniboia	1:00-3:00 pm	Bar B Banquet Room
March 30, 2000	Weyburn	6:00-9:00 pm	Weyburn Inn
April 10, 2000	Kipling	1:00-3:00 pm	Kipling Motor Inn
April 10, 2000	Yorkton	6:00-9:00 pm	Holiday Inn
April 11, 2000	Melfort	1:00-3:00 pm	Northeast Leisure Centre
April 11, 2000	Prince Albert	6:00-9:00 pm	Prince Albert Inn
April 12, 2000	Regina	1:00-3:00 pm	Regina Inn
April 12, 2000	Regina	6:00-9:00 pm	Regina Inn
April 13, 2000	Saskatoon	1:00-3:00 pm	Radisson Hotel
April 13, 2000	Saskatoon	6:00-9:00 pm	Radisson Hotel
April 14, 2000	Wynyard	1:00-3:00 pm	Ukrainian Hall

VIII. APPENDICES

- * The appendices in this section have been developed by the Task Force to help individuals and organizations familiarize themselves with the following:
 - ♦ Demographic & economic trends in Saskatchewan;
 - ♦ Features of the current municipal government system in Saskatchewan compared to other provinces and territories; and
 - ♦ The mandate and membership of the Task Force.
- * The appendices included in this section are grouped into the following parts:

1. Demographic & Economic Trends in Saskatchewan

- 1.1 Population Out Migration
- 1.2 Intra-Provincial Population Migration
- 1.3 Age Composition
- 1.4 Ethnocultural Composition

2. Structural Features of the Municipal System

- 2.1 Number, Types & Criteria for Municipal Incorporation
- 2.2 Saskatchewan in Comparison to Other Provinces
- 2.3 Population Characteristics of Saskatchewan Municipalities
- 2.4 Saskatchewan Population by Municipal Type
- 2.5 Population Ranges of Saskatchewan Municipalities
- 2.6 Saskatchewan Municipalities No Longer Meeting Their Minimum Population Criteria for Municipal Incorporation
- 2.7 Population Range of Rural Municipalities 1921 & 1996
- 2.8 Geographic Size and Population Density of Saskatchewan Municipalities
- 2.9 Comparison of Rural & Regional Municipalities/Districts in Western Provinces

3. Functional Features of the Municipal System

- 3.1 Legislated Responsibilities of Saskatchewan Municipalities
- 3.2 Municipal Functions by Expenditure

4. Financial Features of the Municipal System

- 4.1 Municipal Revenue Sources
- 4.2 Total Revenues of Saskatchewan Municipalities
- 4.3 Assessment Base of Saskatchewan Municipalities

5. Mandate & Membership of the Task Force

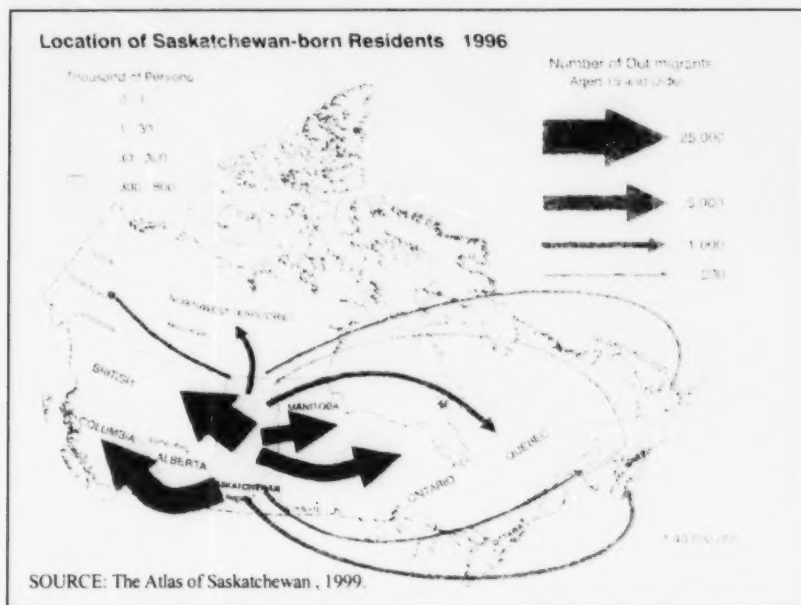
- 5.1 Mandate of the Task Force on Municipal Legislative Renewal
- 5.2 Timeframe
- 5.3 Key Tasks
- 5.4 Areas Outside the Task Force's Mandate
- 5.5 Task Force Membership

APPENDIX 1: DEMOGRAPHIC TRENDS

1.1 Population Out Migration

Net Exporter of People

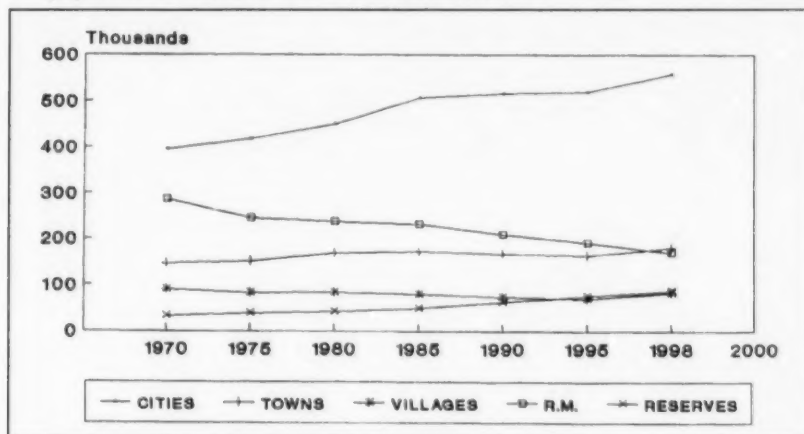
- Historically, Saskatchewan has been a net exporter of people, many of them educated and trained. The principal reason for out migration is employment.
- In 1996, there were almost 550,000 people who were born in Saskatchewan living in other provinces; more than any other province except Ontario. The favorite destinations of Saskatchewan migrants are Alberta, British Columbia, Ontario and Manitoba.



1.2 Intra-Provincial Population Migration

Rural-Urban Migration

- The graph below shows that Saskatchewan has been experiencing a growing shift in population from rural parts of the province to urban centres, including cities, towns and villages. In addition, the graph shows the relative increase in population of Saskatchewan's First Nation reserves.

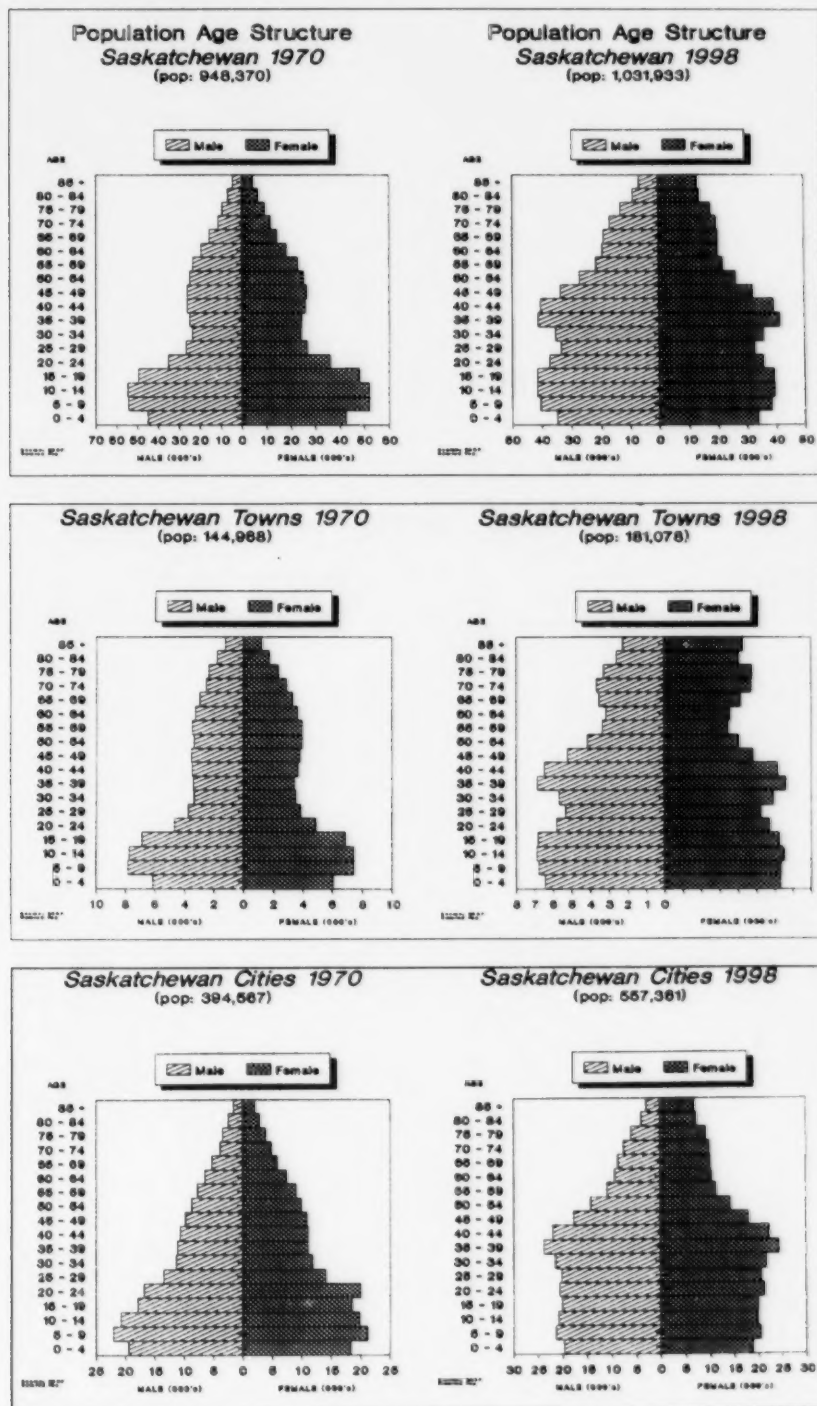


SOURCE: Compiled from Saskatchewan Hospital Services Plan (SHSP) Covered Population Data 1999.

1.3 Age Composition

Aging Population

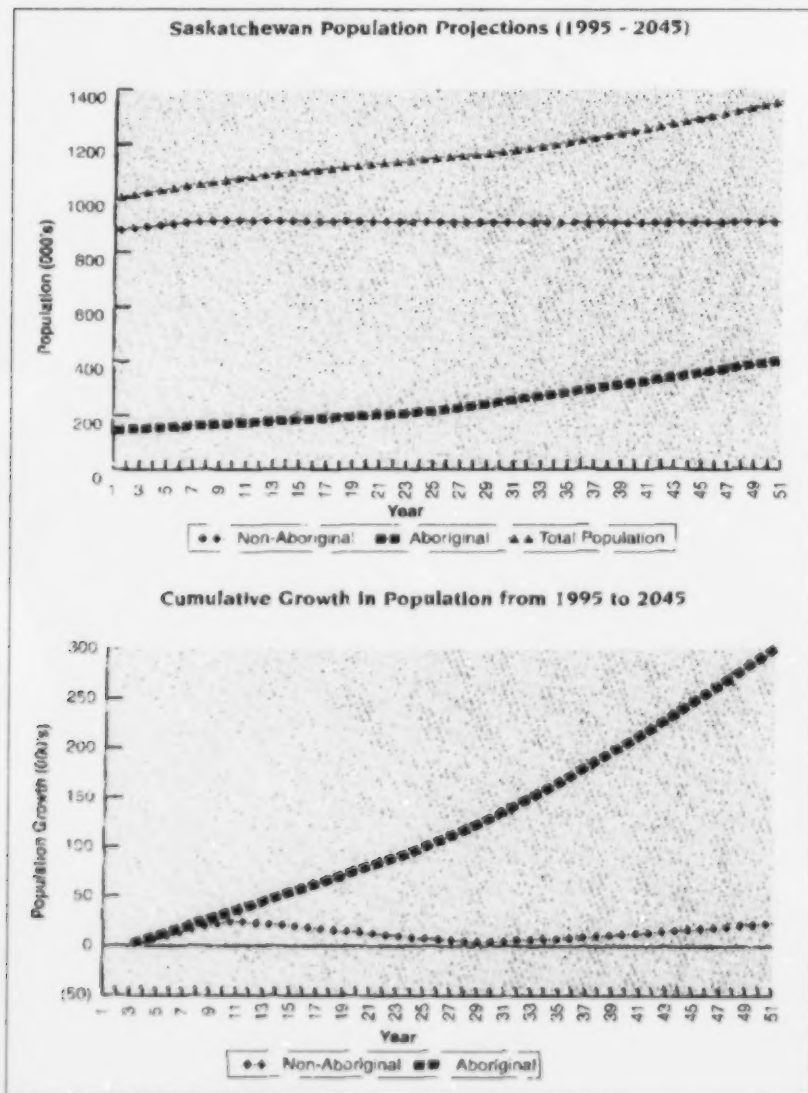
- The graphs below show that Saskatchewan's population is aging, with the majority of the population increasingly entering their middle and senior years.
- The graphs also show that the aging of the population is not occurring uniformly among all types of Saskatchewan communities. For example, a greater proportion of the population in towns is composed of seniors than in cities.



1.4 Ethnocultural Composition

- The table and graphs below show that the Aboriginal population in Saskatchewan will continue to grow both in absolute numbers and in proportion to the non-Aboriginal population of the province.

Saskatchewan Population & Aboriginal Population Projections						
	1995	2005	2015	2025	2035	2045
Population						
• Aboriginal	134,000	178,000	223,000	278,000	348,000	434,000
• Non-Aboriginal	883,000	904,000	892,000	886,000	891,000	903,000
• Total Population	1,018,000	1,082,000	1,115,000	1,164,000	1,239,000	1,337,000
Population Proportions (%)						
• Aboriginal	13%	16%	20%	24%	28%	32%
• Non-Aboriginal	87%	84%	80%	76%	72%	68%



Source: Saskatchewan and Aboriginal Peoples in the 21st Century.
Federation of Saskatchewan Indian Nations 1997.

APPENDIX 2: STRUCTURAL FEATURES OF THE MUNICIPAL SYSTEM

2.1 Number, Types & Criteria for Municipal Incorporation

1000 Municipal Entities

836 Municipalities
170 "Quasi- Municipalities"

- Saskatchewan has 836 individual incorporated municipalities grouped into Urban, Rural and Northern municipalities. Saskatchewan also has 159 Organized Hamlets and 11 Northern Settlements that are unincorporated 'quasi-municipalities' each having their own elected advisory boards.
- The number, types and criteria for incorporation of Saskatchewan municipalities is outlined below.

Type of Municipality	Number	Minimum Population	Dwellings/ Businesses	Other Incorporation Criteria
Urban Municipalities				
Cities	12	5,000	n/a	council resolution/request
Towns	145	500	n/a	council resolution/request
Villages	316	100	50	council resolution or petition
Resort Villages	42	100	50	petition of 30 would-be electors
Rural Municipalities				
Rural Municipalities	297	none	none	ministerial order
Northern Municipalities				
Northern Towns	2	500	n/a	council petition of 15 electors
Northern Villages	13	100	50	council petition of 15 electors
Northern Hamlets	9	50	25	petition of 10 electors
TOTAL	836			

SOURCES: Municipal Directory: Saskatchewan Municipal Affairs, Culture & Housing, 1999, The Urban Municipality Act, 1984, The Rural Municipality Act, 1989, The Northern Municipalities Act.

2.2 Saskatchewan In Comparison to Other Provinces

Second highest number
of municipalities in
Canada

Lowest average
population per
municipality in Canada

- Saskatchewan has the second highest number of municipalities in Canada.
- Saskatchewan has the lowest average population per municipality in Canada.

Province	Number of Municipalities	Population (1998)	Average Population Per Municipality
SASKATCHEWAN	836	1,024,477	1,225
P.E.I.	75	136,529	1,820
NEWFOUNDLAND	291	543,829	1,868
QUEBEC	1375	7,334,502	5,334
MANITOBA	201	1,138,667	5,665
NEW BRUNSWICK	103	752,955	7,310
ALBERTA	371	2,914,539	7,856
NOVA SCOTIA	55	935,327	17,006
ONTARIO	586	11,413,633	19,477
BRITISH COLUMBIA	155	4,008,951	25,864

- NOTES:
1. The numbers of municipalities in all provinces do not include unincorporated, quasi-municipalities (hamlets, northern settlements, etc.) or regional/district authorities.
 2. The average population per municipality was derived by dividing the total population of the province by the number of incorporated municipalities in that province.
 3. Population data is from Statistics Canada, CANSIM Matrices 6367-6379 and includes the total population of each province, not the population covered by municipalities.

**Large variation in
populations among
municipalities**

2.3 Population Characteristics of Saskatchewan Municipalities

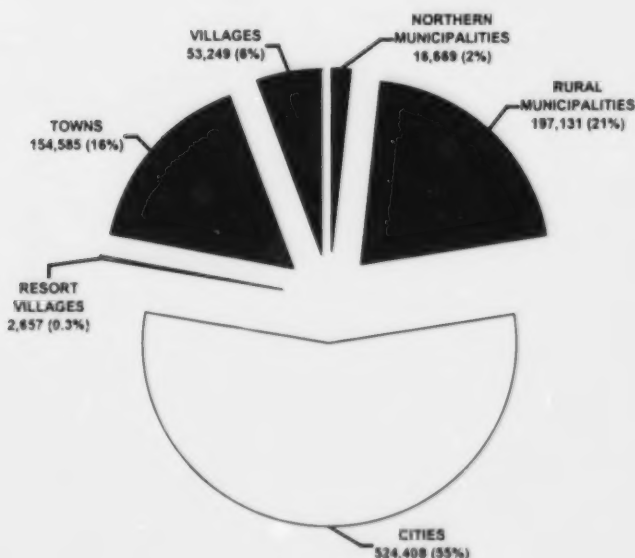
- Saskatchewan's municipalities have a great variation in population among the three broad categories of municipalities - urban, rural and northern, as well as between municipalities of all particular types - cities, towns, villages, resort villages, northern villages, etc.

Type of Municipality	Number	Average Population	Largest Population	Smallest Population
Urban Municipalities				
• Cities	12	43,701	193,647	4,646
• Towns	145	1,066	5,074	89
• Villages	316	169	1,147	5
• Resort Villages	42	63	463	0
Total Urban	515	1,427		
Rural Municipalities	297	664	7,152	154
Northern Municipalities				
• Northern Towns	2	2,339	2,964	1,713
• Northern Villages	13	845	1,966	153
• Northern Hamlets	9	115	233	40
Total North	24	696		
ALL MUNICIPALITIES	836	1,225	193,647	0

SOURCE: Compiled from information contained in the Municipal Directory 1998. Saskatchewan Municipal Affairs, Culture and Housing.

- NOTES: 1. Population data is based on 1996 Statistics Canada Census Data, which involves permanent resident population as opposed to seasonal populations (e.g. resort villages).
2. Average population for all municipalities (1,125) uses 1998 population for the entire province (including unincorporated areas and First Nations reserves) from previous table.

2.4 Saskatchewan Population by Municipal Type



SOURCE: Compiled from information contained in the Municipal Directory 1998. Saskatchewan Municipal Affairs, Culture and Housing.

**97% of municipalities
have populations
less than 2000**

2.5 Population Ranges of Saskatchewan Municipalities

- Almost 97% of Saskatchewan's municipalities have populations less than 2000.
- 65% have populations less than 500.
- 20% have populations less than 100.

Range	RM's	Resorts	Villages	Towns	Cities	North	Total	%
under 100	-	34	126	1	-	5	166	20.0%
100 - 199	7	5	82	4	-	5	103	12.3%
200 - 499	132	3	103	33	-	2	273	32.7%
500 - 999	116	-	4	57	-	7	184	22.0%
1000 - 1999	36	-	1	32	-	4	73	8.6%
2000 - 4999	5	-	-	17	1	1	24	2.9%
5000 - 9999	1	-	-	1	3	-	5	0.6%
10,000 - 24,999	-	-	-	-	4	-	4	0.5%
25,000 - 49,999	-	-	-	-	2	-	2	0.2%
50,000 & over	-	-	-	-	2	-	2	0.2%
TOTAL	297	42	316	145	12	24	836	100%

SOURCE: Compiled from information contained in the Municipal Directory 1998. Saskatchewan Municipal Affairs, Culture and Housing.

NOTES: 1. The populations of individual municipalities within each range are based on 1996 Statistics Canada Census Data.

**20% of municipalities
no longer meet criteria**

**25% of villages
no longer meet
criteria of 100**

**40% of towns
no longer meet
criteria of 500**

2.6 Saskatchewan Municipalities No Longer Meeting Their Minimum Population Criteria for Municipal Incorporation

- Almost 20% of Saskatchewan's municipalities no longer meet their minimum population criteria for incorporation.
- Over 25% of the villages and almost 40% of the towns no longer meet their minimum population criteria for incorporation.

Type of Municipality	Current Number	Minimum Population Criteria	# No Longer Meeting Minimum Criteria	# Surpassing Minimum Criteria For Next Municipal Type
Urban Municipalities				
• Cities	12	5000	1	
• Towns	145	500	38	1
• Villages	316	100	126	5
• Resort Villages	42	*	*	8
Total Urban	515		165	14
Rural Municipalities	297	None	-	-
Northern Municipalities				
• Northern Towns	2	500	0	0
• Northern Villages	13	100	0	10
• Northern Hamlets	9	50	2	4
Total North	24		2	14
TOTAL	836		167	28

SOURCE: Compiled from information contained in the Municipal Directory 1998. Saskatchewan Municipal Affairs, Culture and Housing.

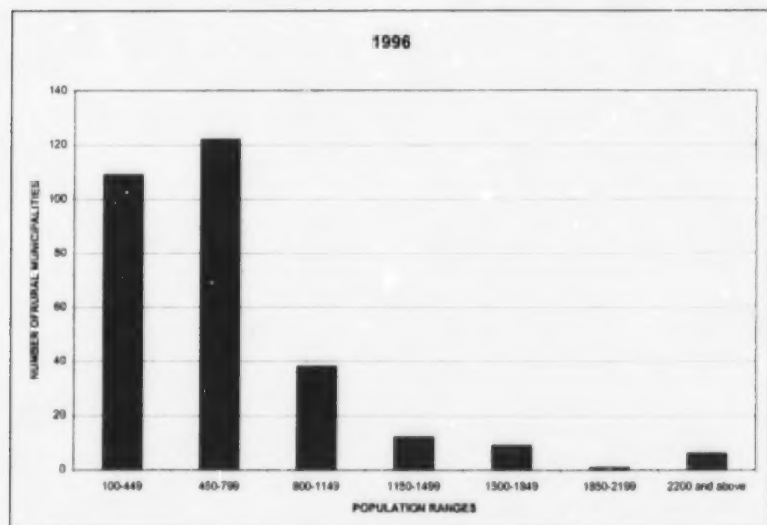
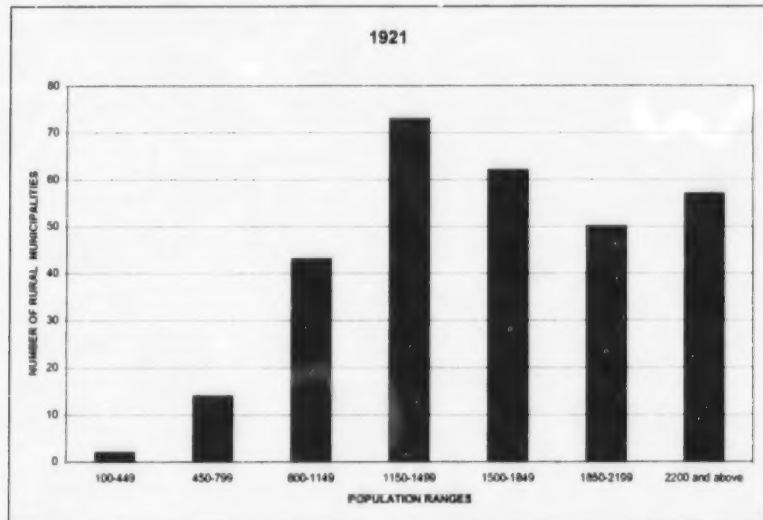
* Note: Minimum population criteria for resort villages is 100 electors or their dependents, including seasonal and permanent populations. It is unclear how many no longer meet this requirement. Eight have permanent populations that exceed the minimum required for village status.

2.7 Population Ranges of Rural Municipalities 1921 & 1996

- The charts below show the population ranges of rural municipalities in Saskatchewan in 1921 compared with 1996.
- The first chart shows that in 1921, the majority of RM populations ranged from 1150 people to over 2200 people, with very few RM's having populations less than 450 people.
- The second chart shows that in 1996, the majority of RM populations were less than 800 people, with a significant number of RM's (over 100) having populations less than 450 people.

Most RM populations ranged from 1150 to over 2200 in 1921...

...in 1996, most RM populations were less than 800



Sources: Province of Saskatchewan Royal Commission on Agriculture and Rural Life. History of Rural Local Government in Saskatchewan. 1995, p. 37. 1996 information compiled from the Municipal Directory 1998. Saskatchewan Municipal Affairs, Culture and Housing.

Diversity of Geographic Sizes & Population Densities

2.8 Geographic Size and Population Density of Saskatchewan Municipalities

- Saskatchewan municipalities have a diverse range of geographic sizes and population densities.

	Number	Average Area (sq. km)	Largest Area (sq. km)	Smallest Area (sq. km)	Avg. Pop. Density (persons/sq. km)
Rural Municipalities	297	1,036.87	12,482.45	418.86	0.64
Urban Municipalities					
• Cities	12	43.65	136.79	14.04	1,001.18
• Towns	145	3.35	22.30	0.57	318.58
• Villages	316	1.03	3.87	0.60	163.45
• Resort Villages	42	2.36	64.08	0.06	26.86
Total Urban	515	2.78			512.57
Northern Municipalities					
• Northern Towns	2	10.77	14.20	7.34	217.13
• Northern Villages	13	12.31	32.47	3.42	68.65
• Northern Hamlets	9	2.11	4.00	0.20	54.40
Total Northern	24	8.36			83.25
TOTAL ALL MUNICIPALITIES	836	370.32	12,482.45	0.57	3.06

SOURCE: Compiled from information provided by Saskatchewan Bureau of Statistics.

NOTES: 1. Average population density was derived by dividing the average population (in Appendix 2.3) for each municipal type by the average area for each municipal type.

Comparison With Other Western Provinces

2.9 Comparison of Rural & Regional Municipalities/Districts in Western Provinces

Province	Number	Area Covered (sq. km)	Average Area (sq. km)	Largest Area (sq. km)	Smallest Area (sq. km)	Total Pop'n Covered	Avg. Pop. Density (per/sq. km)
Saskatchewan							
• Rural Municipalities	297	307,950	1,037	12,482	419	197,131	0.64
Manitoba							
• Rural Municipalities	116	98,712	851	3,247	44	235,793	2.39
Alberta							
• Municipal Districts	64	406,865	6,357	34,275	686	400,820	.99
British Columbia							
• District Municipalities	53	8,773	166	1,549	9	867,446	15.49
• Regional Districts	27	816,465	30,239	119,383	2,082	3,725,457	4.56

SOURCES: Alberta Municipal Affairs - 1999 Official Population List. British Columbia Municipal Financial Services - Area and Population of Incorporated Municipalities as at December 31, 1997. Manitoba Rural Development - 1997 Statistical Information of Manitoba Municipalities of the Saskatchewan Bureau of Statistics- Municipalities, Number of Dwellings and Area, 1996. Saskatchewan Municipal Affairs, Culture and Housing - 1998 Municipal Directory.

APPENDIX 3: FUNCTIONAL FEATURES OF THE MUNICIPAL SYSTEM

3.1 Legislated Responsibilities of Saskatchewan Municipalities

- The functional responsibilities of municipal governments are prescribed in municipal legislation as either mandatory or optional. In legislation, the general responsibilities and functions of Saskatchewan municipalities differ only slightly among urban, rural and northern municipalities, as shown below.

Mandatory Functions of All Municipalities

Optional Functions of All Municipalities

Some Variations in Legislated Functions Among Different Types of Municipalities

Legislated Responsibilities of Saskatchewan Municipalities

Mandatory: all municipalities must:

- repair, maintain streets and roads
- administer and enforce building and fire prevention standards
- conduct council member elections, hold council meetings
- appoint staff (administrator or clerk, treasurer, assessor)
- prepare and adopt an annual budget, and levy taxes on property

Optional: all municipalities may:

- provide utilities including water, sewer and solid waste control
- provide fire, police, ambulance and emergency services
- license businesses and other activities
- adopt planning and zoning controls
- provide recreational and cultural facilities and services such as parks & libraries
- provide special housing and care homes
- promote economic development and tourism
- promote public health
- enter into agreements and make grants
- borrow and invest funds

Some Differences in Functional Responsibilities Among the Three Core Acts:

Only The Urban Municipality Act has provisions regarding:

- establishing business improvement districts
- undertaking downtown revitalization projects

Only The Rural Municipality Act has provisions regarding:

- operating, purchasing, and selling agricultural equipment & products

Only The Urban Municipality Act and The Northern Municipalities Act have provisions regarding:

- regulating store hours
- controlling the maintenance and occupancy of property
- heating, power and gas utilities

Only The Northern Municipalities Act has provisions regarding:

- establishing municipal development corporations

SOURCES: Advisory Committee Report on Inter-Community Cooperation & Community Quality of Life 1993, The Urban Municipality Act, 1984, The Rural Municipality Act, 1989, The Northern Municipalities Act.

- There are often major differences in the requirements and regulations regarding how certain types and sizes of municipalities perform certain functions such as:
- ◆ policing;
 - ◆ fire protection;
 - ◆ assessment;
 - ◆ borrowing, setting utility rates, etc.

3.2 Municipal Functions By Expenditure

**Large variation
in the functional
expenditures among
municipalities**

*RM's spend greater
percentage on roads*

*Urban municipalities spend
greater percentage on
protective services, utilities,
recreation & culture*

- While the legislative responsibilities of different types of municipalities are largely the same, the financial expenditures of municipalities in performing different functions varies greatly among urban, rural and northern municipalities and among the different types of urban and northern municipalities.
- Financial expenditure statistics for 1997 reveal the following:
 - Rural municipalities spend almost two-thirds of their total expenditures on roads, considerably more than any other type of municipality.
 - Urban and northern municipalities spend a greater percentage of their total expenditures on protective services, utilities and recreation and culture than rural municipalities.
 - The larger urban municipalities – cities and towns – spend a smaller percentage of their total expenditures on providing general government than do rural or northern municipalities.

Type of Municipality	% of Total Expenditures - 1997				
	General Gov't	Roads & Transport'n	Protective Services	Utilities	Recreation & Culture
Urban Municipalities					
• Cities	11%	11%	24%	35%	14%
• Towns	17%	23%	14%	21%	16%
• Villages	31%	25%	4%	26%	6%
• Resort Villages	41%	34%	2%	9%	5%
Total Urban	13%	14%	21%	33%	14%
Rural Municipalities					
	16%	65%	2%	1%	2%
Northern Municipalities					
• Northern Towns	24%	18%	17%	16%	18%
• Northern Villages	34%	11%	3%	19%	14%
• Northern Hamlets	36%	3%	8%	1%	21%
Total North	31%	12%	7%	15%	17%

SOURCE: Compiled from municipal financial statistics for the year ended December 31, 1997
Saskatchewan Municipal Affairs, Culture and Housing.

NOTES:

1. General Government expenditures include administrative costs, salaries, councillor remuneration, office expenses, advertising, election expenses, etc.
2. Protective Services includes policing, fire, ambulance, building inspections, EMO, etc.
3. Roads and Transportation expenditures for rural municipalities do not include any capital expenditures for equipment for road maintenance, public works, etc., or any transfers to capital trust funds for these purposes. These are categorized as 'Transfers & Fiscal Services' and constituted 9% of total RM expenditures in 1997.
4. Utility expenditures shown for rural municipalities are categorized as 'Environmental Health & Development' services in RM financial data and include waste collection, public wells and other utilities.
5. Recreation & Culture includes parks, libraries, recreation facilities and for northern hamlets includes community projects and programs.
6. The composition of expenditures noted above was derived from detailed expenditure information for rural municipalities. Actual composition in these categories for urban and northern municipalities may vary somewhat.

APPENDIX 4: FINANCIAL FEATURES OF THE MUNICIPAL SYSTEM

4.1 Municipal Revenue Sources

Large variation in the primary sources of revenue among municipalities

RM's rely more heavily on property tax revenues

Urban municipalities rely both on property taxes and other own source revenue

Northern municipalities rely more heavily on provincial grants & transfers

- The fiscal capacity of municipal governments is directly related to their authority to raise revenues from their own sources such as property taxes, utility charges and user fees, licenses, permits, and so on, as well as grants and transfers from senior levels of government.
- The percentage of total revenues derived from each revenue source varies greatly among the three major municipal types, and among the different types of urban and northern municipalities.
- The table below reveals the following:
 - Rural municipalities rely on property tax revenues for a greater percentage of their total revenues than any other type of municipality.
 - Urban municipalities rely on both property taxes and other own-source revenue (user fees and service charges) for over 85% of their total revenues.
 - Northern municipalities, particularly the smaller northern municipalities rely more heavily on provincial grants and transfers than do urban or rural municipalities.

Type of Municipality	% of Total Revenues - 1997				
	Property Taxes	Service, User & Utility Fees	Grants in Lieu of Taxes	Grants & Transfers	Other
Urban Municipalities					
• Cities	35%	48%	6%	7%	4%
• Towns	43%	38%	3%	13%	3%
• Villages	44%	35%	1%	15%	5%
• Resort Villages	72%	14%	0.1%	8%	6%
Total Urban	37%	45%	5%	9%	4%
Rural Municipalities					
	69%	3%	1%	19%	8%
Northern Municipalities					
• Northern Towns	48%	29%	1%	16%	6%
• Northern Villages	12%	30%	1%	54%	3%
• Northern Hamlets	2%	27%	0%	64%	7%
Total North	19%	28%	1%	47%	5%

SOURCE: Compiled from municipal financial statistics for the year ended December 31, 1997. Saskatchewan Municipal Affairs, Culture and Housing.

NOTES:

1. Grants In-Lieu of Property Taxes include federal and provincial grants in-lieu.
2. Grants and Transfers include federal and provincial grants and transfers.
3. Service, User & Utility Fees include revenues from the following categories: General Government Services, Protective Services, Transportation Services, Environmental Health Services, Public Health & Welfare Services, Environmental Development Services, Recreation & Cultural Development Services, and Utilities.
4. Other Revenues include: Interest, Dividends, Penalties, Commissions and Miscellaneous
5. For comparison purposes, Potash Tax Sharing revenues are included as Grants & Transfers for both urban and rural municipalities.

4.2 Total Revenues of Saskatchewan Municipalities

Large variation in the total revenues of municipalities

92% of municipalities have total revenues less than \$1 million

30% of municipalities have total revenues less than \$100,000

- The amount of total revenues derived from all revenue sources varies greatly among the different types of municipalities in the province, as well as among municipalities of the same type.
- The table below reveals the following:
 - Almost 92% of all municipalities in the province have total revenues less than \$1 million.
 - Almost 30% have total revenues less than \$100,000.

Range	RM's	Resorts	Villages	Towns	Cities	North	Total	%
under \$10,000	-	1	11	-	-	-	12	1.4%
\$10,000-49,999	-	21	108	1	-	-	130	15.5%
\$50,000-99,000	1	13	83	3	-	1	101	12.1%
\$100,000-249,999	4	5	100	19	-	5	133	15.9%
\$250,000-499,999	118	2	13	50	-	8	191	22.9%
\$500,000-749,999	107	-	1	28	-	5	141	16.9%
\$750,000-999,000	43	-	-	14	-	1	58	6.9%
\$1 million - \$4.999 million	24	-	-	30	1	4	59	7.1%
\$5 million - \$9.999 million	-	-	-	-	2	-	2	0.2%
\$10 million - \$99.999 million	-	-	-	-	7	-	7	0.8%
over \$100 million	-	-	-	-	2	-	2	0.2%
TOTAL	297	42	316	145	12	24	836	100%

SOURCE: Compiled from municipal financial statistics for the year ended December 31, 1997
Saskatchewan Municipal Affairs, Culture and Housing.

4.3 Assessment Base of Saskatchewan Municipalities

Large variation in the assessment base of municipalities

52% of municipalities have an assessment base of less than \$10 million

42% of municipalities have an assessment base of less than \$5 million

- The assessment base varies greatly among the different types of municipalities in the province, as well as among municipalities of the same type.

Range	RM's	Resorts	Villages	Towns	Cities	North	Total	%
under \$100,000	-	-	8	2	-	-	10	1.2%
\$100,000-499,999	-	-	57	-	-	-	57	6.9%
\$500,000-999,999	-	2	65	-	-	1	68	8.3%
\$1 - 2.499 million	-	11	101	2	-	2	116	14.1%
\$2.5-4.999 million	-	15	55	23	-	3	96	11.6%
\$5 - 9.999 million	1	10	23	43	-	5	82	10.0%
\$10 - 49.9 million	202	4	5	62	-	2	275	33.4%
\$50 - 99.9 million	76	-	-	9	1	2	88	10.7%
\$100-499.9 million	18	-	-	3	7	-	28	3.4%
\$ 500 million - \$1 billion	-	-	-	-	2	-	2	0.2%
over \$1 billion	-	-	-	-	2	-	2	0.2%
TOTAL	297	42	314	144	12	15	824	100%

SOURCE: Compiled from 1998 confirmed assessment statistics as of May 10, 1999
Saskatchewan Municipal Affairs, Culture and Housing.

Note: 1. Twelve municipalities had not submitted assessment information as of May 10, 1999. Thus the total number of municipalities does not total 836.

APPENDIX 5: MANDATE & MEMBERSHIP OF THE TASK FORCE

5.1 Mandate

The Task Force on Municipal Legislative Renewal has been mandated by the provincial government to *conduct a review and make recommendations* on the need for, and nature of, municipal legislative renewal in Saskatchewan.

The Task Force's mandate as outlined in Order in Council 507/1998 dated August 13, 1998 states:

"It is desirable and in the public interest to establish an advisory committee to be known as the Task Force on Municipal Legislative Renewal, for a period not exceeding two years from the date of this Order, to:

- ◆ consider the role and responsibilities of municipal government in Saskatchewan in the next decade,
- ◆ confirm, or set new directions for the evolution and development of municipal governance,
- ◆ define and clarify the relationship between provincial and municipal governments, and
- ◆ make recommendations for municipal renewal."

5.2 Time-frame

This mandate extends from August 13, 1998 to August 13, 2000.

5.3 Key Tasks

In fulfilling its mandate, the Task Force will:

1. *Undertake consultations on municipal issues with interested individuals and organizations in the province;*
2. *Identify existing, emerging and potential obstacles to the goal of appropriate and principled municipal governance in the province;*
3. *Review Saskatchewan's existing municipal legislation;*
4. *Review municipal legislative renewal initiatives in other provinces and territories and consider what may be of value for Saskatchewan;*
5. *Produce a set of recommendations on the need for, and the nature of, changes to municipal legislation in Saskatchewan.*

5.4 Areas Outside the Task Force's Mandate

The Task Force has interpreted its terms of reference as broadly and flexibly as possible to ensure that any issues of interest and importance to individuals and organizations are included in its review. However, there are issues and tasks that are beyond the scope of the Task Force's mandate.

Specifically, the Task Force is not mandated to do the following:

1. **Produce Draft Legislation** - *Although the Task Force has been mandated to recommend the general direction and fundamental principles of a renewed or revised municipal legislative framework, it has not been mandated to produce the actual draft legislation. That task will be the responsibility of the provincial Department of Municipal Affairs, Culture and Housing in consultation with key stakeholders and the public after the Task Force has submitted its report.*
2. **Examine Municipal Finances in Detail** - *The Task Force has not been mandated to undertake an extensive and in-depth analysis of municipal government finances as did the Local Government Finance Commission of the 1980's. Nevertheless, some attention will be devoted to the relationship of the fiscal capacity and viability of municipalities and the functions, formal authority and autonomy, and forms of municipal governments.*
3. **Redraw Municipal Boundaries** - *Similarly, the Task Force has not been mandated to produce a map with new municipal boundaries. Nevertheless, it is devoting some attention to the general importance and effects of boundaries, the appropriateness of existing forms and types of municipalities, and the criteria for their creation, conversion and dissolution.*

5.5 Task Force Membership

The Task Force consists of the following members:

- ◆ Joseph Garcea (Chair)
- ◆ Maria Lynn Freeland
- ◆ Val Kononoff
- ◆ Murray Westby
- ◆ Bobby Woods
- ◆ Cliff Wright

Task Force members can all be contacted through the Task Force office.

